

1 A. I don't recall.

2 Q. Anyone outside Ripple?

3 A. I expect, yes.

4 Q. Did you ever discuss XRP's use cases --
5 or case or cases -- using Signal?

6 A. I -- I don't recall.

7 Q. Did you ever discuss Ripple's efforts
8 with respect to the XRP ecosystem using Signal?

9 MR. SOLOMON: Objection; calls
10 for a legal conclusion.

11 Go ahead.

12 A. Could you repeat the question?

13 Q. Did you ever discuss Ripple's efforts
14 with respect to the XRP system using Signal? XRP
15 ecosystem.

16 A. Sorry. Maybe one more time just to make
17 sure I got it.

18 Q. Did you ever discuss Ripple's efforts
19 with respect to the XRP ecosystem using Signal?

20 MR. CERESNEY: Objection to form.

21 A. I don't recall.

22 Q. Did you ever discuss the reasons why
23 someone might buy XRP with anyone on Signal?

24 A. I don't recall.

25 Q. Did you ever disclose to a third party

1 the advice you might have gotten from counsel as
2 to the legal status of XRP under the securities
3 laws?

4 THE REPORTER: Could you repeat?

5 Q. Did you ever disclose to a third party
6 the legal advice you might have gotten from
7 counsel as to the legal status of XRP under the
8 securities laws?

9 A. I don't believe so.

10 Q. Did you ever discuss you or Ripple's
11 sales of XRP using Signal?

12 A. As we discussed earlier, with GSR, I
13 would have facilitated to confirm appropriate
14 wallet information to verify that we're being
15 secure in those transfers. Beyond that, I don't
16 recall.

17 Q. Okay. So when you say you don't recall,
18 would you say it's possible you just don't know
19 sitting here today?

20 MR. SOLOMON: Objection to form.

21 A. When I -- when I say that I don't recall
22 on that --

23 Q. On this last question.

24 A. Remind me what the last question was
25 exactly.

1 Q. Which was, did you discuss you or
2 Ripple's sales of XRP using Signal?

3 A. Yeah, I don't recall. And so the answer
4 to your second question -- I mean, generally
5 speaking, Ripple's sales of XRP would not have
6 been discussed via Signal.

7 Q. Okay. Is it possible you discussed them
8 and you just don't recall?

9 A. It's possible and I don't recall.

10 Q. Okay. And separate from the sales, but
11 is it possible that you discussed XRP with -- with
12 anyone on Signal?

13 MR. SOLOMON: Objection; asked
14 and answered.

15 You can answer.

16 A. Yes, it's possible.

17 Q. Okay. And is it possible you discussed
18 XRP status under the securities laws on Signal?

19 MR. SOLOMON: Objection; asked
20 and answered.

21 You can answer.

22 A. I -- I don't recall.

23 Q. Is it possible that you discussed on
24 Signal things like the Hinman speech on Signal?

25 A. It's possible, yes.

1 Q. Okay. Let's look at 96.

2 (Whereupon, exhibit is received
3 and marked Garlinghouse Deposition
4 Exhibit 96 for identification.)

5 THE WITNESS: Oh, I have two.

6 MR. SOLOMON: Thanks. Sorry.

7 BY MR. TENREIRO:

8 Q. So this is RPLI_SEC 533153. It's a
9 number of pages. Excuse me. It appears to me to
10 be a series of screenshots. Please take a look,
11 Mr. Garlinghouse. I'll want you to read it, but
12 just by browsing it, does it -- do you know what
13 this document is?

14 A. Not yet.

15 Q. Okay. Go ahead. Take a look at it.

16 (Pause)

17 A. Okay.

18 Q. Having looked at the document, do you
19 know what this document is?

20 A. This document appears to be screenshots
21 of a conversation. I don't actually know for
22 sure, I'm assuming it's Breanne, but I don't...

23 Q. Is the assumption based on the reference
24 to XRP-O?

25 A. The assumption is based upon the market

1 maker purchases.

2 Q. Market maker purchases of what?

3 A. XRP.

4 Q. Okay. Do you see -- who took these
5 screenshots?

6 A. I don't know.

7 Q. Did you ever take screenshots of your
8 Signal communications?

9 A. Other than for collection of -- for
10 purposes of this litigation, no.

11 Q. Right.

12 So before the litigation, did you have a
13 practice of taking screenshots of the
14 conversations?

15 A. No.

16 Q. You might have taken some, but not a
17 practice of it?

18 A. Not that I recall.

19 Q. Okay. Do you see that at least one of
20 these seems to say -- the second page says "June
21 25th, 2020," and then further down there's some
22 July dates.

23 Do you see all of that? Turn to the
24 second page first.

25 A. Yes, I see that.

1 Q. Okay. And there's a reference to XRP-O
2 somewhere in here.

3 Do you see that?

4 A. Yes, I saw that.

5 Q. Okay. So any reason to doubt that these
6 conversations did not occur sometime in the summer
7 of 2020?

8 A. I -- I don't have any reason to doubt
9 that these conversations occurred in the summer of
10 2020.

11 Q. Okay. And do you see on the first page
12 it says "Brad Garlinghouse set disappearing
13 message time to one week"? Do you see that?

14 A. Yes, I do.

15 Q. Why does that show up there, do you
16 know, on the app? Why does that pop up?

17 A. It's letting both parties -- it's
18 letting both parties know who has set the
19 expiration disappearing message feature.

20 Q. So you change the expiration feature, it
21 puts a notice there?

22 A. Correct.

23 Q. Okay. And did you ask Ms. Madigan to
24 communicate with you via Signal?

25 A. I -- I don't recall.

1 Q. Okay. Which -- which side of the
2 conversation is you and which side is Ms. Madigan?

3 A. I believe Ms. Madigan is the dark -- the
4 right side and I'm the light or the left side.

5 Q. Okay. So, for example, you say I just
6 -- "I'm just off the phone with [REDACTED] -- and that's
7 Mr. [REDACTED]

8 A. I presume, yes.

9 Q. You think that's you saying that to her?

10 A. I believe that's correct.

11 Q. Okay. On the next page, she talks about
12 speaking with legal, Comms, tax, et cetera.
13 "Given MMs need to execute these contracts, we
14 will not start buybacks until earliest tomorrow."

15 Do you see that?

16 A. Yes.

17 Q. What is the reference to buybacks?

18 Buybacks of what?

19 A. I believe this is in regard to the
20 buyback of XRP. As you're probably aware, one of
21 the things we're very cognizant of is minimizing
22 any impact we have in the XRP markets. As some
23 products scaled -- at the time what we're calling
24 XRP-Os, XRP-Origin, which is now known as
25 Wallet Send. And as that demand for that grew, it

1 meant we were introducing XRP into the market.
2 And in order to minimize any potential impact on
3 the market, we were creating the ability to buy
4 back XRP such that there wasn't an unexpected
5 significant increase to supply in the market.

6 Q. Later on she says, on page 3, "Hi Brad,
7 hope you're well."

8 Do you see that message?

9 Further down, "Given ongoing regulatory
10 conversations, I've asked legal for an
11 opinion - pending from [REDACTED]"

12 Do you see that?

13 A. I do see that.

14 Q. What regulator -- regulator
15 conversations are you discussing there?

16 A. I don't know. She's discussing it, not
17 me.

18 Q. I understand, but you're having a
19 conversation with her. So when you read that,
20 what did you understand that to mean?

21 MR. SOLOMON: If you did.

22 A. Yeah, I -- I don't know that I knew
23 exactly what she meant. I -- what you're
24 describing, the conversation, I replied with
25 "Sounds great. Thank you."

1 Q. You didn't ask her what regulator you're
2 talking about -- are you talking about, Breanne?
3 That was not your response?

4 A. No, that was not my response.

5 Q. Okay. Further down, if you turn a
6 couple pages, the message says [REDACTED] came back and
7 after discussing with outside counsel" -- you're
8 going to have to flip a couple. Yeah, there you
9 go.

10 Do you see that?

11 A. Yes.

12 Q. Who's [REDACTED]

13 A. I don't know.

14 Q. It says "[REDACTED] came back and after
15 discussing with outside counsel, they mentioned
16 some reg concerns given their SEC inquiry and
17 suggested we may want to explore other ways to do
18 this creatively that is more in line with our
19 current contract, i.e., using derivatives."

20 Does reading that give you a hint as to
21 who [REDACTED] is?

22 A. It does not.

23 Q. Okay. All right. And then you say to
24 her, on the next page, "Can you send around an
25 email update on what transpired over the weekend

1 on removing XRP-O supply from the market?"

2 THE REPORTER: Can you slow
3 down, please?

4 Q. "Can you send around an email update on
5 what transpired over the weekend on removing XRP-O
6 supply from the market?"

7 Do you see that message?

8 A. I do see that message.

9 Q. Did she send around that email update?

10 A. I don't recall.

11 Q. An email update. To whom were you
12 asking her to send the message to?

13 A. I don't believe I was specific about
14 that.

15 Q. No, but just in your mind, you know,
16 what was the practice -- when you asked her about
17 sending email updates, what was your sort of
18 expectation or practice about who it would be sent
19 to?

20 MR. SOLOMON: Objection; form.

21 A. My expectation would have been she's a
22 vice president of the company. I think maybe a
23 senior director/vice president of the company.
24 She would have had the knowledge to know, based
25 upon the content of that email, who needed to be

1 involved in that email.

2 Q. Why did you want her to send this update
3 on what transpired over the weekend on removing
4 XRP-O supply?

5 A. I don't recall. I presume because I
6 wanted to make sure everyone had the same set of
7 understanding.

8 Q. Everyone at Ripple?

9 A. Well, not everyone at Ripple.

10 Q. Everyone involved in these issues about
11 the buybacks or the XRP-O supply?

12 A. Yes.

13 MR. SOLOMON: Objection; form.

14 Q. Okay. All right. We can set that
15 aside.

16 Who is [REDACTED]

17 A. I don't know.

18 Q. Do you know if he did any work for
19 Ripple?

20 A. Can you repeat the name?

21 Q. [REDACTED]

22 A. I don't know.

23 Q. Okay. Do you know of any relationship
24 he had to Ripple?

25 A. I do not.

1 Q. Have you heard of an entity called
2 [REDACTED]
3 ?

4 A. I don't believe so.

5 Q. Ripple has bank accounts at [REDACTED]
[REDACTED],

6 MR. SOLOMON: Objection to form.

7 A. Yes.

8 Q. Do you have access to those bank
9 accounts?

10 A. I believe the answer to that is
11 technically, yes. I'm not sure that I know how to
12 access them.

13 Q. Who accesses them on a regular basis?

14 A. I would be speculating.

15 Q. Do you have -- do you know of an entity
16 called [REDACTED]?

17 A. I don't think I do.

18 Q. Okay. And do you have to approve
19 disbursements from Ripple's bank account or
20 accounts?

21 A. There's a threshold above which requires
22 multiple approvals or more than one. I don't know
23 what that threshold is. But there are times when
24 I am asked to log in to approve certain wire
25 transfers and disbursements of some size.

1 Q. Log into the bank account or log into
2 some other system? Because you just said you
3 don't know if you have access to the bank
4 accounts.

5 A. I don't --

6 MR. SOLOMON: Objection to form.

A. -- believe that was my exact testimony.

8 I think I said I believe I do have access. I
9 don't know if I could immediately go and gain
10 access.

11 Q. Okay. When you were asked to log on to
12 approve certain wire transfers, what are you being
13 asked to log on to?

14 A. A

15 MR. SOLOMON: Objection; form.

16 A. -- Bank website to which I would then
17 approve or disapprove a transaction.

18 Q. What about checks? Do you have to
19 approve those, the disbursements of checks from
20 Ripple's bank accounts?

21 A. I don't -- I'm not aware that I've ever
22 approved a check disbursement from Ripple's bank
23 account. I suppose, to be fair, when I approve a
24 transaction, I'm not sure I really know if it's
25 going out by wire or a check or some other

1 mechanism.

2 Q. And what is that threshold amount that
3 you have to -- above which you have to approve?

4 A. I'm not sure.

5 Q. Is it in the millions or hundreds of
6 thousands?

7 A. Millions. I -- I believe it's millions.

8 Q. Okay. And did -- do -- does Ripple have
9 more than one bank account at [REDACTED]?

10 A. Yes.

11 Q. How many?

12 A. I don't know.

13 Q. And does Ripple have banking accounts at
14 other banks in the United States other than
[REDACTED],

16 A. Yes, I believe so.

17 Q. What bank or banks?

18 A. I believe we have an account at [REDACTED]

19 [REDACTED] and I believe we either have or are in the
20 process of setting up an account at [REDACTED]
[REDACTED]

22 Q. For what purpose? Why are you setting
23 up an account at [REDACTED].

24 MR. CERESNEY: You're asking him
25 about today? You're asking him a question

1 about something that Ripple is doing
2 today?

3 MR. TENREIRO: Yeah.

4 MR. CERESNEY: Why is that at all
5 within the scope of this deposition?

6 MR. TENREIRO: Are you
7 instructing him not to answer the
8 question?

9 MR. CERESNEY: Well, I'd like a
10 proffer from you as to --

11 MR. TENREIRO: I'm not going to
12 give you one. I'm asking you -- he's
13 answering me where the bank accounts are
14 and I'm asking him why he's setting it up
15 at [REDACTED]

16 Are you instructing --

17 MR. CERESNEY: Yes.

18 MR. TENREIRO: Are you going to
19 instruct him not to answer?

20 MR. CERESNEY: I would like a
21 proffer from you as to why you think this
22 is relevant to this action.

23 MR. TENREIRO: Where Ripple's
24 funds are is relevant to this action even
25 today. It's relevant. I mean, there's

1 remedies. There's all sorts of issues why
2 it's relevant.

3 MR. CERESNEY: All right.

4 MR. TENREIRO: Go ahead.

5 MR. CERESNEY: If you can answer
6 that without discussing any discussions
7 with counsel or revealing discussions with
8 counsel.

9 A. Could you ask the question again?

10 Q. Why is Ripple setting up a bank account
11 at [REDACTED].

12 A. Risk diversification. Concentration of
13 deposits at one bank, it's probably prudent to
14 have deposits at more than one bank.

15 Q. And when did the -- is it set up yet or
16 not?

17 A. I don't know.

18 Q. Okay. Did this process begin after
19 December 2020?

20 A. I believe so.

21 Q. Okay. Before December 2020, did Ripple
22 have bank accounts other than [REDACTED]
23 and [REDACTED] anywhere in the world?

24 A. I believe yes.

25 Q. Where?

1 A. I don't know.

2 Q. Who would know?

3 A. [REDACTED]

4 Q. Okay. Anyone else?

5 A. We have a relatively new CFO who has
6 been there four-plus months. She might know. Her
7 name is [REDACTED]. On [REDACTED] team,
8 who has subsequently left the company, [REDACTED]
9 might know. And then there's some people
10 underneath [REDACTED] that might have that
11 knowledge.

12 Q. And, I'm sorry, how many bank accounts
13 are there at [REDACTED]

14 A. I don't know.

15 Q. Is it more than ten?

16 A. I don't know.

17 Q. Okay. And can you ballpark how many
18 countries Ripple has bank accounts in outside of
19 the United States?

20 A. I -- I -- I don't know.

21 Q. Okay. And the proceeds of Ripple's XRP
22 sales while you were CEO, were they deposited in
23 [REDACTED] accounts or others?

24 A. I don't know.

25 MR. SOLOMON: Objection; form.

1 Q. Okay. Do you know of -- do you know
2 where they were deposited, the proceeds of XRP
3 sales for Ripple's XRP?

4 A. I don't know.

5 Q. Okay. What about the proceeds of your
6 XRP sales? Where were those deposited?

7 A. The proceeds from my XRP sales were
8 deposited at Bitstamp and subsequently I would
9 transfer those to [REDACTED]

10 Q. Okay. Any other bank you might transfer
11 them to?

12 A. Not that I can recall.

13 Q. Okay. And when you sold XRP, did you
14 sell it for fiat or did you sell it for -- at
15 times for other digital assets?

16 A. I believe I only sold it for fiat.

17 Q. What fiat?

18 A. I believe I only sold it for U.S.
19 dollars.

20 Q. Okay. And so are you saying that all of
21 the -- all of the proceeds went to Bitstamp
22 somehow, even the GSR ones?

23 A. Yes.

24 Q. Okay. And then from there you would --
25 or somebody somehow would get them to [REDACTED]

1

A. Yes.

2

Q. All right. And when did you open the
4 Bitstamp account?

5

A. I believe I opened the Bitstamp account
in the spring, kind of February/March, maybe

6 April, of 2017.

7

Q. For what purpose?

8

A. To custody XRP.

9

Q. And was selling XRP one of the reasons
10 to open that account?

11

A. Not at the time I opened it.

12

Q. Just to custody your XRP?

13

A. At -- at the time I opened it, my
14 recollection is -- so I was receiving a
15 distribution of XRP associated with a grant from
16 the company. Certain vesting provisions had been
17 met. And so sometime in the, I think, March/April
18 time frame of 2017, the first distribution and
19 vesting of XRP occurred and, thus, was distributed
20 to me.

21

One of the things that in -- in risk
22 mitigation I thought is I'm not going to send all
23 of that XRP to one custody, one wallet. I'm going
24 to distribute it. And my recollection is I sent a

1 third to Bitstamp, a third to [REDACTED] and a third
2 to a cold wallet. [REDACTED] was the account that
3 was hacked and they stole all that XRP.

4 Q. How many units?

5 A. I don't recall exactly.

6 Q. You divided it in thirds, equal thirds?

7 Do you remember that?

8 A. Yes.

9 Q. Okay. And the cold wallet, who held the
10 keys?

11 A. I did.

12 Q. Okay. And the Bitstamp account that you
13 opened was to -- at first just to custody you
14 said?

15 A. Yes.

16 Q. So you made a decision later in time to
17 sell XRP?

18 A. Yes.

19 Q. When was that decision made?

20 A. I don't recall. I would have to go back
21 and look at records from 2017.

22 Q. Was it sometime in 2017 that you made
23 that decision to sell your XRP?

24 A. I began selling some XRP in 2017.

25 Q. Why did you sell it?

1 A. I -- I don't recall specifically. My
2 guess is diversification of assets.

3 Q. When you entered -- when you opened the
4 account at Bitstamp for the custody, did you sign
5 some sort of user agreement or check some box
6 about your, you know, relationship with Bitstamp?

7 MR. SOLOMON: Objection to form.

8 A. I -- I suspect I did.

9 Q. Okay. And how did you open this
10 account? Was it on a computer? on your phone, or
11 did you call them up?

12 MR. SOLOMON: Objection; form.

13 A. I don't recall specifically.

14 Q. Were you in the United States when you
15 did this or did you travel to some country to open
16 the account?

17 MR. SOLOMON: Objection; form.

18 A. I don't recall.

19 Q. Okay. And the vesting conditions that
20 had met -- been met, are you talking about pricing
21 volume conditions that were in your option or
22 granting contract with Ripple? I'm describing it
23 incorrectly as a "contract," but...

24 MR. SOLOMON: Objection; form.

25 A. I mean, I think we're saying the same

1 things. I don't recall all the provisions of what
2 had to occur in order for vesting to occur. Some
3 of that was time-based employment. I thought that
4 the other one was just volume based.

5 Q. Uh-huh.

6 A. But I don't recall.

7 Q. Okay. We'll look at the pricing one in
8 a minute.

9 Let's go back to Mr. [REDACTED] who you seem
10 to not recall. Let's look at Exhibit 94.

11 (Whereupon, exhibit is received
12 and marked Garlinghouse Deposition
13 Exhibit 94 for identification.)

14 MR. TENREIRO: All right. Let's
15 start here.

16 MR. SOLOMON: We're also about
17 five minutes away from another 90 minutes.
18 So we can -- happy to go through whatever
19 this line of questioning is, but at a good
20 point we may want to take another short
21 break. We can make this one short.

22 MR. TENREIRO: Let's do this.

23 MR. SOLOMON: Okay.

24 MR. TENREIRO: All right. For
25 the record, this is a document,

1 RPLI_SEC_1028005, a multipage email. It
2 appears to be a thread occurring --
3 actually, it might -- yeah, it's a couple
4 emails. Seems to be on July 11, 2018.

5 (Pause)

6 BY MR. TENREIRO:

7 Q. Okay. Mr. Garlinghouse, having reviewed
8 the email, do you see in the last page Mr. [REDACTED]
9 writes "I would like authorization to communicate
10 with the SEC on Ripple's behalf"? Do you see
11 that?

12 A. I do see that.

13 Q. Was that authorization given?

14 A. I don't know.

15 Q. Who would know? So let me ask this.

16 In -- in this email thread, I see Mr. [REDACTED]
17 Mr. [REDACTED] yourself, some of your counsel, and
18 Ms. [REDACTED] copied.

19 Do you see that at the top?

20 A. I do see that.

21 Q. Did you forward --

22 A. Yeah.

23 Q. Sorry.

24 Did you forward this email to anyone?

25 A. I don't know.

1 Q. Did you discuss the substance of this
2 email with anyone?

3 A. I don't recall.

4 Q. Okay.

5 MR. SOLOMON: Did you read this
6 email?

7 THE WITNESS: I don't know.

8 Oops, that was not your question. It was
9 his question. But I don't know.

10 MR. TENREIRO: That's okay.

11 BY MR. TENREIRO:

12 Q. Did you have a practice of not reading
13 some of your emails?

14 A. I mean, I got a lot of email every day
15 and the longer the email, the less likely it is I
16 read the whole thing. So, you know, just by
17 virtue of trying to prioritize and manage my
18 inbox, there's definitely some emails that I
19 haven't read. I think, according to my iPhone,
20 there's ten thousand of them.

21 Q. Right.

22 So there's some that are, like, marked
23 as unread --

24 A. Yes.

25 Q. -- in your iPhone.

1 But if you -- if you click on it --
2 you're saying that even if you click on it, you
3 might still not read it? Is that what you're
4 saying?

5 A. I -- it's definitely possible.

6 Q. Uh-huh.

7 A. In part based on who the sender is.

8 Q. Right.

9 Would you read an email from -- the top
10 of this is from Mr. [REDACTED] right?

11 A. Yes.

12 Q. He's a legal advisor, right?

13 A. Yes.

14 Q. Okay. And so do -- how often did you
15 not read your emails from your legal advisors?

16 A. I don't know.

17 Q. You can exclude Mr. Solomon if you want.

18 But did you -- did you have a practice
19 of not reading emails from legal advisors around
20 the time of this email in July of 2018?

21 MR. SOLOMON: That's not what
22 he's saying. Just ask him the questions.

23 MR. TENREIRO: Let me just -- let
24 me just ask.

25 BY MR. TENREIRO:

1 Q. Did you -- did you have any practice
2 with respect to emails from your legal counsel or
3 legal advisors?

4 A. Did I have any practice? What does that
5 mean?

6 Q. Yeah. You know, did you think to
7 yourself, you know, if I get an email from my
8 legal advisor, I better read those, or did you
9 have a practice that said I don't really trust the
10 guy, I'm not going to ask it? I mean, that's what
11 I'm asking.

12 MR. CERESNEY: Objection; form,
13 among other things.

14 A. I don't even know what the question is.
15 I apologize.

16 Q. My question is, did you have a practice
17 of reading or not reading emails from your legal
18 advisors?

19 A. I wouldn't -- I didn't have a different
20 practice from my legal advisors than I had from
21 anybody else.

22 MR. SOLOMON: Objection.

23 Q. Did you consider emails from your legal
24 advisors to be important?

25 A. It depends who the legal advisor was.

1 Q. What about Mr. [REDACTED] - Mr. [REDACTED]

2 Sorry. [REDACTED]

3 MR. SOLOMON: You're under oath.

4 Just kidding.

5 A. There are other lawyers I would have
6 prioritized more highly.

7 Q. Than Mr. [REDACTED]

8 A. Yes.

9 Q. Okay. So based on that, you can't
10 recall either way if you actually read the
11 substance of this email, is that correct?

12 A. I don't recall this email.

13 Q. Okay. Is it possible that you did read
14 it, though?

15 A. For certain.

16 Q. Okay. And the authorization, you just
17 don't know if that was given, the authorization
18 that he requests?

19 A. That's correct.

20 Q. Okay. And having read the email, you
21 know, I don't -- I'm not going to spend a lot of
22 time on some of these things, but it appears that
23 he's suggesting that there's some report that's
24 going to be presented to the SEC.

25 Do you see that?

1 A. I do.

2 Q. And there's a reference to Val. Do you
3 know who that is?

4 A. I do.

5 Q. Who is that?

6 A. Val Szczepanik, as described -- although
7 I think they spelled "czar" wrong.

8 Q. They did.

9 A. Is, I think, publicly pronounced from
10 the SEC as the Crypto Czar.

11 Q. And had you met Ms. Szczepanik at this
12 point in time?

13 A. I believe Ms. Szczepanik was in the
14 meetings that I attended at the SEC, but I had
15 only met her in that construct.

16 Q. Do you remember if she was in the
17 Division of Enforcement back then?

18 A. I don't.

19 Q. At the top Mr. [REDACTED] says "Got it.
20 Meanwhile let's avoid contact with Val so we can
21 coordinate. Andrew will be in touch with you
22 today. Thanks."

23 Do you know who the reference to Andrew
24 is there?

25 A. Well, I'm assuming, because Andrew

1 Ceresney is on the cc, that they're referring to
2 Andrew Ceresney.

3 Q. Okay. Did Mr. [REDACTED] have sort of the
4 authority to direct Mr. Ceresney who to call back
5 as suggested by this email?

6 MR. SOLOMON: Objection; form.

7 A. That's unclear.

8 Q. I feel like I'm missing something here
9 about the relationship with Mr. [REDACTED] So why
10 don't you go ahead and tell me, because there's
11 some chuckling going on. What --

12 A. Mr. [REDACTED] is a very -- you all have, I
13 believe, met Mr. [REDACTED] Fair? Yes? No?

14 Q. Just answer the question.

15 MR. SOLOMON: Brad is
16 referencing -- referencing the SEC side of
17 the table just for the record.

18 Go ahead, Brad.

19 A. Mr. [REDACTED] is an intelligent,
20 opinionated, cantankerous advisor.

21 Q. Uh-huh.

22 A. So I -- particularly in this time
23 period, I think there were a group of people --

24 MR. CERESNEY: You know what,
25 Brad? Let's end the answer there.

1 THE WITNESS: Okay.

2 MR. CERESNEY: I'm instructing
3 the witness not to answer further because
4 now he's going to tread into legal advice
5 and we're not going to go there.

6 MR. TENREIRO: Well, I
7 didn't think -- you should not tread into
8 legal advice, but I thought he said there
9 was a group of -- are you talking there
10 was a group of advisors -- how does that
11 tread --

12 MR. CERESNEY: He was about to
13 tread into legal advice in his answer.

14 MR. TENREIRO: Okay.

15 BY MR. TENREIRO:

16 Q. Can you explain further what
17 relationship Mr. ██████████ had to Ripple in this time
18 period?

19 MR. CERESNEY: I think he's
20 already explained that. Asked and
21 answered.

22 Q. Okay. Go ahead.

23 MR. CERESNEY: Objection.

24 A. A legal advisor to the company.

25 Q. Okay. And did he have the -- did you

1 have a belief that he was sort of acting outside
2 of the scope of the authority you had granted him?

3 MR. SOLOMON: Objection.

4 MR. CERESNEY: I'm going to --

5 I'm going to instruct the witness not to
6 talk about the authority he's granted

7 Mr. [REDACTED] because that gets into the
8 substance of legal advice.

9 MR. TENREIRO: The authority he's
10 granted him gets into the substance of
11 legal advice?

12 MR. CERESNEY: Yeah, it does.

13 MR. TENREIRO: Okay.

14 MR. CERESNEY: And, by the way,
15 it's a good time for a break. So if you
16 want to finish this document.

17 MR. TENREIRO: Sure.

18 BY MR. TENREIRO:

19 Q. Did -- after -- after this email
20 exchange, did you avoid -- did Ripple avoid
21 contact with Val to coordinate with Mr. [REDACTED]

22 A. I don't know.

23 MR. SOLOMON: Objection.

24 MR. TENREIRO: Okay. Let's go
25 off.

1 THE VIDEOGRAPHER: Okay. Going
2 off the record at 11:44.

3 (Whereupon, a recess is taken.)

4 THE VIDEOGRAPHER: Back on the
5 record, 11:59.

6 BY MR. TENREIRO:

7 Q. Okay. Just to finish up on 94,
8 Mr. Garlinghouse, do you see that the subject
9 matter -- the subject is "Heads up: Adverse
10 action by [REDACTED] Re: XRP and Ripple"? Do
11 you see that?

12 A. I do.

13 Q. Okay. So do you think, based on that
14 and based on who the email is from, that you would
15 have read it or not read it?

16 MR. SOLOMON: Objection to form.

17 A. I think it's likely I opened this email.
18 I think it's likely I read it. I don't recall
19 specifically reading it.

20 Q. Okay. Now, I --

21 A. I do now recall who [REDACTED] is, but
22 it's not a name that I knew.

23 Q. Who is [REDACTED]?

24 A. [REDACTED] was, I think, maybe
25 affiliated with [REDACTED] but he and two partners had a

1 firm that were trying to advise. And my general
2 view is [REDACTED] and his partners were trying to take
3 advantage of what they viewed as an opportunity to
4 make money. And I -- my experience with the group
5 was they embellished realities and overpromised,
6 you know, what they were capable of.

7 Q. So let me try to unpack that.

8 They were trying to advise -- you said
9 [REDACTED] was, I think, maybe affiliated with
10 [REDACTED] but he and two partners had a firm that were
11 trying to advise."

12 Trying to advise Ripple?

13 A. Yes.

14 Q. Okay.

15 A. And I do believe we actually paid them
16 some money to be advisors for some period of time.
17 I was not an advocate and I found it to be -- you
18 know, one of the things -- or particularly early,
19 after we received the SEC letter, you know -- I
20 think, you know, having more people involved is
21 not necessarily better. And I think Chris Larsen
22 and I didn't always agree on that.

23 And so for me, this was yet -- yet
24 another group that was trying to extract money
25 from Ripple that promised to be helpful in some

1 way.

2 Q. So when you said earlier they saw --
3 "they were trying to take advantage of what he
4 viewed as an opportunity to make money," are you
5 referring to an opportunity to make money by
6 advising Ripple with respect to the SEC issue?

7 A. I believe that's correct.

8 Q. Okay. And you also said you paid them
9 some money. How much?

10 A. I don't recall. I do recall thinking
11 they were offensively expensive.

12 Q. Was it at least [REDACTED]

13 A. Order of magnitude. That would be what
14 I would have guessed, but I don't recall.

15 Q. If you thought they were offensively
16 expensive, why did you pay them? Why did Ripple
17 Pay them?

18 A. Chris Larsen hired them.

19 Q. So it was Mr. Larsen's decision?

20 A. I believe it was Chris Larsen's decision
21 to engage this particular group of, the
22 triumvirate of [REDACTED] and his compatriots.

23 THE REPORTER: Repeat. "I
24 believe it was Chris Larsen's..."

25 A. I believe it was Chris Larsen's decision

1 to engage [REDACTED] and him compatriots.

2 Q. Did you express to Mr. Larsen your
3 differing views as to whether it was a good idea
4 to have Shrier?

5 MR. SOLOMON: Outside the
6 presence of counsel.

7 A. I -- I think Chris was aware of my view
8 that more doesn't always equal better. And that
9 applied to this group and just in general our
10 partnership and working together at Ripple over
11 the six and a half years that we've worked
12 together.

13 Q. But Mr. Larsen had the authority to hire
14 this group irrespective of your views on whether
15 you should hire that group?

16 MR. SOLOMON: Objection to form.

17 A. Mr. Larsen's the chairman -- executive
18 chairman of Ripple. If he wants to hire an
19 advisor, you know, unless I'm going to lay in the
20 tracks, I'm not sure that's, you know, okay.

21 Q. Does he ask you, like, for your
22 permission when he wants to hire an advisor? Has
23 he ever done that?

24 A. I mean, we don't really have a dynamic
25 where somebody asks permission. We discuss

1 professional courtesy and respect, but, you know,
2 Chris and I don't always agree.

3 Q. Sure.

4 If Mr. Larsen had wanted to file a
5 registration statement with the SEC for XRP sales,
6 could he have done that?

7 MR. SOLOMON: Objection; calls
8 for speculation.

9 Q. As far as you know.

10 A. I don't think any one individual could
11 have filed a registration statement. It would
12 have taken a collaboration of lawyers, advisors,
13 work, time. And so I don't think Chris Larsen
14 could have. I don't think I could have. I think
15 a team effort would have enabled that.

16 Q. Right. I'm not talking about actually
17 doing it. I'm talking about making the decision.
18 I'm sorry.

19 Could he have made that decision? Hey,
20 this is what we're going to do. We're filing a
21 registration statement.

22 A. I --

23 MR. CERESNEY: Objection to form.

24 MR. SOLOMON: Objection.

25 A. I think Chris Larsen, as the executive

1 chairman, had immense influence. And, by
2 extension, if he came to me and said, you know,
3 we're -- hey, absolutely there should be a
4 registration statement filed, I think we would
5 have gotten behind that and made it happen.

6 Q. Did Mr. Larsen tell you why he decided
7 to hire [REDACTED] outside of the presence of counsel?

8 A. I don't recall.

9 Q. Okay.

10 A. I didn't recall who he was.

11 Q. Sure.

12 MR. TENREIRO: Let's do 41, which
13 is an email I think a day later than 94.

14 (Whereupon, exhibit is received
15 and marked Garlinghouse Deposition
16 Exhibit 41 for identification.)

17 MR. TENREIRO: And while you take
18 a look, it's a two-page email, RPLI_SEC
19 949371.

20 (Pause)

21 BY MR. TENREIRO:

22 Q. Okay. Mr. Garlinghouse, do you see that
23 the title of the email, the subject, is "FYI:
24 [REDACTED] report was changed to be more
25 favorable"? Do you see that?

1 A. I do.

2 Q. Do you think you would have read an
3 email that said that?

4 A. I don't think subject lines are a major
5 determinant of whether or not I read an email. So
6 I don't think that would have necessarily impacted
7 whether or not I read it.

8 Q. How about who it's copied to?

9 A. Well, when you look at your inbox, you
10 don't see who is copied on an email. So I don't
11 think that would be a primary determinant.

12 Q. What would be the primary determinant
13 then?

14 A. How busy I was that day.

15 Q. Did you read this email?

16 A. I don't recall.

17 Q. Okay. Did you -- Mr. Larsen does not
18 appear to be copied on this email, right?

19 A. That's correct.

20 Q. Given that Mr. Larsen had hired [REDACTED]
21 did you convey to him what [REDACTED] was reporting to
22 you here?

23 MR. SOLOMON: Objection to form.

24 A. I don't recall.

25 Q. You -- you were at this time -- this is

1 the summer of 2018, so you were having
2 conversations with the SEC. I think you mentioned
3 meetings where I was, commissioners, et cetera, et
4 cetera. Is that correct?

5 MR. SOLOMON: Objection to form.

6 A. Certainly in the summer -- well, I don't
7 remember when I met with the -- you or the SEC
8 specifically. By virtue of the emails you've
9 shown me today, I have seen that I apparently met
10 with some people at the SEC on November 9th. But
11 I think your question was did I meet with --

12 Q. Just --

13 A. -- in the summer of 2018? And I
14 think -- I don't recall the summer of 2018.

15 Q. Fair to say that in late 2018, from,
16 like, the middle to the latter part of 2018, you
17 were having SEC meetings with SEC staff?

18 MR. SOLOMON: Objection to form.

19 A. I don't know how many meetings we had at
20 the SEC in that time period.

21 Q. Was Val in some of the meetings?

22 Ms. Szczepanik.

23 A. I'm re meeting -- I remember meeting Val
24 Szczepanik at one of the SEC meetings. I don't
25 know when that meeting took place.

1 Q. And in these meetings, I think,
2 generally -- generally speaking, you were -- one
3 of the things you were doing was providing
4 information about Ripple and XRP, is that right?
5 Educating I think you said?

6 MR. SOLOMON: Objection to form.

7 A. Answering questions, sharing
8 perspectives about what's going on in crypto and
9 what's going on in the XRP markets, what -- what
10 Ripple is doing.

11 Q. In any of the meetings with the
12 commissioners, did -- or with any SEC staff, did
13 you tell them when you were discussing what Ripple
14 was doing that Ripple had to pay [REDACTED] to
15 [REDACTED]

16 A. I seriously doubt that I would have done
17 that. I -- I mean, even today I didn't know who
18 [REDACTED] was until you refreshed my memory. I would
19 not have considered -- what's the name of this
20 group? [REDACTED]? [REDACTED] thing? I
21 didn't consider them a particularly relevant or
22 impactful point in our conversations with the SEC.

23 Q. Mr. [REDACTED] references that "a negative
24 mention of Ripple was removed - but swung to a
25 somewhat positive."

1 Do you see that?

2 A. I do.

3 Q. Okay. Did you mention that to the SEC
4 when you met with the SEC?

5 A. I am certain I would not have. I mean,
6 I don't consider [REDACTED] to be a particularly
7 credible person, and so I wouldn't want to present
8 not credible information to the SEC.

9 Q. Right.

10 Did you have -- did there come any time
11 on or after 2018 where Ripple engaged in
12 activities relating to removing negative mentions
13 of Ripple from public statements?

14 MR. CERESNEY: Objection; form.

15 A. Could you repeat the question?

16 Q. Did there come any time on or after 2018
17 where Ripple engaged in activities relating to
18 removing negative mentions of Ripple from public
19 statements?

20 MR. SOLOMON: Objection; form.

21 A. I guess the way I think about this is we
22 engage a PR firm with the goal of educating,
23 sharing and communicating with the world about
24 what Ripple is doing. To the extent a reporter
25 has signaled that they have a negative viewpoint

1 about X or Y or Z, would we, meaning Ripple and/or
2 our PR firm, seek to obviate, minimize, or
3 otherwise dampen a negative reference? Yes, I'm
4 sure we did that.

5 Q. So, like, letters to The New York Times,
6 for example, is that included in those efforts?

7 MR. SOLOMON: Objection; form.

8 A. What -- what do you mean, a letter to
9 The New York Times?

10 Q. About Mr. [REDACTED]

11 MR. SOLOMON: Objection; form.

12 A. You mean -- maybe you could be more
13 specific with your question if you would.

14 Q. Yes. Was a letter to The New York Times
15 about [REDACTED] a part of the efforts to --
16 seeking to obviate, minimize or otherwise dampen
17 negative references?

18 A. Well, I think what you're referencing is
19 an email to -- to an editor to -- with whom I had
20 a previous -- well, I don't know exactly what
21 you're referencing. I didn't send a letter to The
22 New York Times.

23 Q. Did you send an email to The New York
24 Times?

25 A. I sent an email to an editor on the West

1 Coast with whom -- I had known for some years
2 seeking to sit down and talk about [REDACTED]
3 [REDACTED]'s posture towards Ripple.

4 Q. Okay. So to the extent that Ripple
5 hired a PR firm to, again -- the reporter has
6 signaled that they might have a negative view
7 about X, Y or Z, Ripple and the PR -- the PR firm
8 might seek to obviate, minimize or otherwise
9 dampen negative references.

10 To the extent Ripple did that, is that
11 any different than what Ripple hired Mr. [REDACTED] to
12 do?

13 MR. SOLOMON: Objection; form.

14 A. Look, sitting here today, I can't tell
15 you why we hired Mr. [REDACTED] and what he was
16 supposed to do or what he did do.

17 Q. Okay.

18 A. I did not consider him a particularly
19 credible person/resource. I found his -- as I, I
20 think, testified earlier, I found him to
21 embellish, overstate. I didn't -- I didn't
22 basically trust him.

23 Q. Okay. But Ripple did hire a PR firm --
24 and we're talking about [REDACTED] right? -- to
25 dampen/obviate negative references, right?

1 MR. SOLOMON: Objection; form.

2 A. Well, I mean, you hire a PR firm to do
3 lots of things. You're -- a subset of that would
4 be what you're describing.

5 Q. Any other advisor that you might have
6 hired for the purpose -- and understanding that
7 you might hire an advisor for several purposes,
8 but is there any other advisor that you hired for
9 that purpose, seeking to obviate, minimize or
10 otherwise dampen negative references about Ripple?

11 A. I -- we definitely have other PR firms.
12 I can't name them all. I think we have one in --
13 I think we might have two in Asia and one in
14 Europe that are on some sort of retainer. And
15 those are the only PR firms that -- I mean, again,
16 it depends a little bit -- dampen, obviate,
17 otherwise minimize -- I can't remember exactly the
18 phrases I used, but I think my experience in
19 Silicon Valley, my experience professionally, is
20 many, many, many, many companies hire PR firms to
21 engage in reactive and proactive communication
22 with press.

23 Q. But other than PR firms, did Ripple hire
24 other advisors to either, you know, dampen
25 negative references or engage in reactive or

1 proactive communications with press?

2 A. Yes.

3 Q. Okay. Who?

4 A. I -- I -- I can't name all of them. As
5 I said, [REDACTED] was the primary one, based in San
6 Francisco, with whom we had some relationship. I
7 actually don't think we use [REDACTED] anymore. I
8 don't know who replaced them. Maybe [REDACTED]. I'm
9 not a hundred percent sure.

10 We have worked with -- in Washington we
11 worked with a group called [REDACTED]. And the firms
12 outside in -- in Japan and otherwise I don't know
13 the names of.

14 Q. Right. But I'm asking for other
15 advisors who are not PR firms.

16 A. Oh. Oh, to work on those --

17 Q. Yeah.

18 A. I mean, I couldn't -- I guess the answer
19 to your question is yes. [REDACTED] apparently
20 falls in that. As we saw earlier, I had no
21 recollection of who [REDACTED] was until I saw
22 this email. And so I would imagine there's
23 someone else who we may have hired during that
24 time period. I think the answer's yes.

25 Q. But you just can't recall who?

1 A. I don't recall.

2 Q. Okay. And so who -- what about -- who
3 is [REDACTED]

4 A. [REDACTED] was a board member at Ripple.

5 Q. Okay. When did you meet him?

6 A. I met him as an introduction from Chris
7 Larsen. And I don't remember exactly when. I
8 guess I would -- somewhere, I'm guessing, 2017.

9 Q. And is he still on the board?

10 A. He is not.

11 Q. Do you recall when he left?

12 A. I don't recall the exact timing. I
13 think it was right before the presidential
14 election. So probably about a year ago. Is that
15 right? Twenty -- yeah.

16 Q. Why did -- who asked him to join the
17 board?

18 THE REPORTER: I'm sorry?

19 Q. Who asked him to join the board?

20 A. Chris Larsen, I guess, nominated him to
21 join the board. I believe he met with a couple of
22 the other board members, including myself. And he
23 joined the board, I think, in 2017.

24 Q. And does he own XRP?

25 A. I believe the answer to that is yes. I

1 generally had a practice of not asking people
2 about their personal XRP transactions outside of
3 Ripple.

4 Q. Okay. And let -- let's take a look at
5 Exhibit 27.

6 And while we get that exhibit, other
7 than being on the board, what other relationship,
8 if any, did Mr. [REDACTED] -- sorry, [REDACTED]
9 have with Ripple?

10 A. I don't recall specifics. I think he
11 may have been an advisor to Ripple prior to -- oh,
12 two things. One, I think he was a -- prior to
13 joining the board, I think he was an advisor of
14 some sort, about which I don't remember the
15 specifics.

16 He also started a website called [REDACTED]
17 [REDACTED] of which he was -- I don't know what
18 his role was at [REDACTED] Owner? And
19 Ripple did a sponsorship of [REDACTED] for a
20 couple of years.

21 Q. Why did Ripple do that sponsorship?

22 A. I think -- I think having more
23 reputable, good journalism around crypto is good
24 for the crypto industry. I personally have never
25 thought [REDACTED] as one of the primary -- you

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1 know, I think the lexicon -- you know, trade rags
2 of the crypto industry. I've never thought
3 [REDACTED] was that great. And so to the extent
4 that there are other more reputable outlets that
5 have financial success, that's good for the crypto
6 industry. And I generally think what's good for
7 the crypto industry is probably good for Ripple.

8 Q. And [REDACTED] had experience as a
9 journalist?

10 MR. SOLOMON: Objection; form.

11 A. He did. He did have experience as a
12 journalist. I believe he was publisher or editor
13 of a New York-based publication called The
14 Observer.

15 Q. Okay. And [REDACTED] offered to
16 introduce Ripple to people connected to the Trump
17 administration?

18 MR. SOLOMON: Objection; form.

19 A. I believe that's fair, yeah.

20 Q. And did he?

21 A. Yes.

22 Q. Who did he introduce you to?

23 A. He introduced me to Jared Kushner.

24 Q. Okay. You personally?

25 A. Yes.

1 Q. What was the purpose of the
2 introduction?

3 A. You know, it was, frankly, I'd say, more
4 social than it was professional. We met on a
5 Sunday morning at a country club and we sat
6 informally around a pool table -- or, sorry, a
7 swimming pool at a country club and I don't
8 remember all the things we discussed.

9 Q. So I only -- I'm only interested in
10 whatever part of it that was professional.

11 Do you recall what the purpose of the
12 introduction was?

13 A. You know, I think the more we have --
14 the more there are influential senior people who
15 are believers in the crypto industry and how it's
16 evolving and the need for clear regulation in the
17 United States to help that industry thrive in the
18 United States, I think that's good for the crypto
19 industry. I think it's good for Ripple. You
20 know, good for the industry.

21 Q. And so Mr. Kushner was one of those
22 people?

23 A. One --

24 Q. One of those people who believed in the
25 crypto industry and how it's evolving?

1 A. No, I don't think that was my testimony.

2 I -- I -- I think I said we wanted to evangelize
3 and educate people of influence about --

4 Q. I see.

5 A. And I would think many people in the
6 room probably agree that Mr. Kushner was a person
7 of influence.

8 Q. I see.

9 So you -- so more -- sorry. More --
10 more to educate/evangelize to him about crypto?
11 That was the professional purpose of the meeting
12 to the extent there was one?

13 MR. SOLOMON: Objection; form.

14 A. Yeah, again, I don't think I'd call it a
15 meeting. I think I might have been wearing a
16 swimsuit.

17 Q. Did you ask him to introduce you to
18 other people?

19 A. No.

20 Q. Did you ask him to talk to the SEC
21 about, you know, XRP?

22 A. No.

23 Q. Did you ask -- did you or anyone at
24 Ripple ask the staff of Senator Cotton to talk to
25 the SEC about XRP?

1 A. I don't recall. I don't know.

2 Q. Did you have conversations with the
3 staff of Senator Cotton about XRP?

4 A. I don't recall.

5 Q. And who -- what documents might refresh
6 your recollection about that? Would it be your
7 meeting agenda, your calendar, or something else?

8 MR. SOLOMON: Objection; form.

9 A. I recall meeting with Senator Cotton. I
10 don't recall meeting with any of his staff. I
11 don't recall speaking to any of his staff. And I
12 don't know what documents would refresh my memory.

13 Q. You recall meeting with him.

14 Did you discuss Ripple or XRP at the
15 meeting or was it about something else?

16 MR. SOLOMON: Objection; form.

17 A. We did discuss Ripple and I don't
18 remember the specifics. It was, you know, I think
19 two years ago? I don't remember exactly. It was
20 a while ago. And he came to our office and we
21 talked about what Ripple's doing and -- I guess it
22 may have been more than two years ago just given
23 COVID time. So two and a half years ago maybe.

24 Q. After the SEC letter? After you
25 received the SEC letter?

1 A. I -- I actually don't recall, but that's
2 certainly possible.

3 Q. Did you discuss the SEC with him?

4 A. I don't recall.

5 Q. Did anyone take notes at the meeting?

6 A. I don't know.

7 Q. Do you have a practice about taking
8 notes?

9 A. Me personally? No.

10 Q. You or, you know, maybe your assistant,
11 the people who came with you to the meetings.

12 A. Generally speaking, no. I -- there was
13 not a practice. Maybe one of the blessings and
14 curses of being a start-up is things don't have a
15 practice as opposed to you're kind of trying to
16 figure it out every day.

17 Q. Did Mr. Kushner offer to speak with
18 anyone about Ripple?

19 A. I suspect yes. I -- I don't have a
20 specific -- well, I mean, he offered to organize
21 a -- what was largely a social visit with
22 Mr. Kushner. I --

23 Q. Sorry. I asked if Mr. Kushner offered
24 to speak with anyone at Ripple.

25 A. Oh, sorry. I thought you asked

1 Mr. [REDACTED] Sorry. I apologize.

2 Q. No, no. Kushner.

3 A. I don't recall.

4 (Whereupon, exhibit is received
5 and marked Garlinghouse Deposition
6 Exhibit 27 for identification.)

7 BY MR. TENREIRO:

8 Q. Here's Exhibit 27.

9 (Pause)

10 Q. Okay. Sorry.

11 Mr. Garlinghouse, do you see this email
12 thread with you, Ms. O'Gorman, and Monica Long?

13 A. I do.

14 Q. Okay. And here Ms. O'Gorman references
15 [REDACTED] asking Chris Giancarlo to state certain things
16 in an upcoming speech.

17 Do you see that?

18 A. I do. I'm not sure if your
19 characterization is correct about who wrote that.

20 Q. Who wrote it?

21 A. I don't know.

22 Q. Well, I -- I wasn't -- I wasn't saying
23 who wrote it. I'm simply asking you --

24 A. I think you asked me do you see what
25 Ms. O'Gorman asked as it relates to [REDACTED] asking

1 Giancarlo. And I'm just saying I don't know.
2 Given the indented structure of this email, I'm
3 not sure who wrote the email part you're
4 referencing.

5 Q. Right.

6 I'm simply saying there was some idea
7 going on that [REDACTED] might ask Chris Giancarlo
8 to say certain things, is that correct?

9 MR. SOLOMON: Objection; form.

10 A. It looks like there's a -- I'm sorry,
11 repeat the question one more time.

12 Q. Is there this sort of idea being
13 discussed at Ripple at this time that [REDACTED]
14 might ask Chris Giancarlo to make statement --
15 certain statements?

16 A. It looks like there's some desire to get
17 the then-chair, I think, of the CFTC to
18 differentiate between consumer-facing digital
19 currency use cases versus institutional.

20 Q. What is consumer facing?

21 A. Could you elaborate on that question,
22 please?

23 Q. What does consumer-facing digital
24 currency use cases mean?

25 A. I mean, I don't know. I didn't write

1 it.

2 Q. Just generally, forget the email, what
3 is -- if you hear "consumer-facing digital
4 currency use cases," what do you understand that
5 to mean?

6 A. Well, if I heard that in 2017 versus
7 2021, I might have a different answer. In 2017,
8 when this email was written, I'm probably thinking
9 about -- you know, this is around the time when
10 there had been an explosion of ICO activity and
11 you had things like Bananacoin being launched and
12 you had, frankly, I think, lots of craziness going
13 on in the market.

14 Some of those had consumers in mind as
15 direct -- direct adopters or direct, even,
16 investors. And so I don't know beyond that what
17 they're referencing.

18 Q. And back in 2017, you would distinguish
19 XRP from that? You know, you're absolutely
20 welcome to look at the email, but I'm just asking
21 you, if you're sitting back in 2017, would you
22 distinguish XRP from consumer-facing digital
23 currency use cases?

24 A. When you ask that, what are you thinking
25 of as a consumer-facing --

1 Q. It's whatever you mean as
2 consumer-facing digital currency use cases.

3 MR. SOLOMON: I think those
4 questions are -- are vague and hard for me
5 to follow. I don't know if you can follow
6 them, but...

7 A. I don't know what -- I don't know who
8 wrote this. I don't know what they meant when
9 they said "consumer-facing digital currency use."
10 You're asking me a question about using the
11 expression digital facing consumer -- or
12 digital -- whatever the -- and I'm asking what you
13 mean by that.

14 Q. Do you not understand the phrase, the
15 term then, "consumer-facing digital currency"?

16 A. I think there's lots of potential
17 interpretations of what that means.

18 Q. Okay. Is -- you also mentioned that
19 your understanding might be different in 2017 than
20 in 2021.

21 How has that evolved?

22 A. I think in the four years since this
23 email was written, the crypto markets, digital
24 currencies, have changed and evolved a lot. You
25 know, there's lots of ways to measure that. And

1 so, you know, without knowing who wrote it,
2 without knowing what they meant, it's just hard
3 for me to know how to answer the question.

4 Q. Again, setting the email aside, you
5 know, did there come times in, say, 2017 and 2018
6 when you stated publicly your view that you did
7 not think of the use case for digital currencies
8 as, you know, buying things, like going to
9 Starbucks and getting a cup of coffee?

10 A. That's directionally accurate. It's a
11 little bit incomplete. I -- you know, I think
12 what I have said publicly is I more often than
13 not, particularly in that time period, referred to
14 these as digital assets or crypto assets. What I
15 typically pointed out is to the extent you're
16 thinking of these as fiat currencies, I had said
17 that I view the G20 fiat currencies -- and
18 typically I call it the dollar or euro or yen --
19 as very effective in solving the use case and
20 problems that -- for consumer -- consumer-facing
21 experiences.

22 I have often gone on to explain there
23 are some markets where that's less true outside
24 the G20 where governments have effectively lost
25 control of their currencies already and, by

220

1 extension, there might be more consumer interest,
2 consumer demand, consumer usefulness.

3 But I typically have pointed out for a
4 U.S. audience, whether it be media or a panel,
5 that for those that are saying we're going to use
6 bitcoin to buy coffee at Starbucks or bitcoin at
7 Amazon, I've found that to be, particularly in
8 2017, less likely.

9 Q. Has that view changed?

10 A. A little bit.

11 Q. How so?

12 A. Maybe I'm wrong.

13 Q. But how -- how -- how has your view
14 changed? Do -- do you view --

15 A. The adoption, usage and custody of
16 cryptocurrencies here in the United States by
17 consumers has exceeded what I might have forecast
18 four years ago.

19 Q. In your last couple of answers, you --
20 you have used the word "consumers" a number of
21 times. And I think I understand when you're using
22 that word you're talking about people who might go
23 to Starbucks with a digital currency. Is that
24 fair?

25 A. Sure.

1 Q. Okay. In this email -- I know you don't
2 know who wrote it. In this email, do you see a
3 distinction between Ripple's XRP and that sort of
4 consumer use case?

5 MR. SOLOMON: Objection; calls
6 for speculation, asked and answered.

7 You can answer as best you can.

8 A. You know, as you're well aware, there
9 are lots of ways that XRP is used outside of what
10 Ripple does with XRP. There are today, and there
11 were in 2017, consumer-facing experiences of how
12 people used XRP.

13 Ripple's approach, both then -- well,
14 I'll just talk about then and when it was written.
15 Ripple's approach and how we pri -- focused on
16 using XRP was using XRP to solve an institutional
17 liquidity management problem. And so I think for
18 purposes of this email, my guess is they're trying
19 to make that distinction.

20 Q. So Ripple's approach back then was
21 not -- Ripple's approach was not the
22 consumer-facing experience. Is that fair?

23 MR. SOLOMON: Objection; form.

24 A. I think what I said is, you know, lots
25 of people in the XRP ecosystem, and including

1 2017, there were certainly consumer use cases of
2 XRP in 2017. Ripple's focus and the customers we
3 were targeting was more to use XRP at an
4 institutional level for liquidity management.

5 Q. Not to go to Starbucks to buy their
6 coffee?

7 A. Not to go to Starbucks to buy their
8 coffee.

9 Q. Okay. And has that charged?

10 A. I mean, Ripple's --

11 Q. I'm not talking --

12 (Indiscernible cross talk; reporter
13 requests one speaker.)

14 A. I don't think Ripple's focus has
15 changed.

16 Q. Okay.

17 A. As I said, to the extent my opinion
18 about this topic has changed over the years, I
19 have been surprised by the breadth of consumer
20 adoption of cryptocurrencies, including XRP, and
21 how people are using them beyond what I might have
22 thought given the strength of the dollar and what
23 have you.

24 Q. Sure.

25 (Whereupon, exhibit is received

1 and marked Garlinghouse Deposition

2 Exhibit 97 for identification.)

3 BY MR. TENREIRO:

4 Q. All right. let's look at Exhibit 97.

5 MR. SOLOMON: Just for the
6 record, pages 3, 4 and 5 are something
7 akin to an Excel spreadsheet-like chart
8 and it is impossible for me to read and I
9 have 20/20 vision.

10 So I want you to be careful
11 about answering questions on those last
12 four pages.

13 MR. TENREIRO: Sure. And it's
14 there for completeness. I don't think I
15 have questions on those sheets. I might.

16 MR. SOLOMON: Right. And I'm not
17 being difficult. I just wanted to point
18 out I just can't read it.

19 MR. TENREIRO: We can blow it up
20 on the laptop if we need to read it.

21 MR. SOLOMON: Yeah, that's
22 perfect.

23 (Pause)

24 BY MR. TENREIRO:

25 Q. Can you read the attachment?

1 A. Not all of it. I wear glasses, which
2 helps. No.

3 Q. Focus in on the email first. If
4 you're -- if you're still reading, go ahead.

5 MR. SOLOMON: Why don't you
6 just -- would it be okay if he just read
7 the email or do you want him to make sure
8 that he's read the whole thing?

9 MR. TENREIRO: I want to ask
10 about the email, but I don't want to stop
11 him from reading if he wants to read it.

12 THE WITNESS: I'm good.

13 BY MR. TENREIRO:

14 Q. Okay. What is -- what is this email
15 about in your own words, Mr. Garlinghouse?

16 A. This is an email from [REDACTED]
17 soliciting a renewal of previous marketing spend
18 on the website [REDACTED]

19 Q. The -- at the bottom of the email,
20 there's a reference to " [REDACTED] the same as
21 Ripple had paid over the last three years."

22 Do you see that?

23 A. I do see that.

24 Q. Is that accurate, that Ripple --

25 A. I don't actually think it is.

1 Q. Okay. What do you think the payments
2 were?

3 A. I think that that's an increase, but I'm
4 not sure.

5 Q. Did you -- did Ripple approve this --
6 did Ripple respond to this request?

7 A. I don't recall.

8 Q. Okay. Would it be reflected in bank
9 records?

10 A. Well, I thought you meant did someone
11 reply to the email.

12 Q. No. Did Ripple simply respond to the
13 request in any way?

14 A. I -- I think we ended up spending maybe
15 [REDACTED] in 2021 on [REDACTED]

16 Q. Okay. And you referred to it as a
17 marketing spend?

18 A. It would have been considered a
19 marketing spend, yeah.

20 Q. What does that mean?

21 A. I mean, my recollection is that we
22 actually got ads on the website.

23 Q. In the -- in the email he's referencing
24 all the stories about XRP and Ripple that he's
25 published.

1 Do you see that?

2 A. Well, if you look at the list, I mean,
3 there's a bunch of stories that have nothing to do
4 with Ripple or XRP.

5 Q. I understand that. But in the email, is
6 he not referencing -- I mean, why don't we just go
7 through it.

8 "I have been able" -- "I believe we've
9 been able to show over the course of the year that
10 the site has been incredibly valuable in advancing
11 Ripple's aims. I've attached a spreadsheet that
12 contains almost 50 stories that align with
13 Ripple's goals."

14 Do you see that?

15 A. Yes, I see that.

16 Q. Okay. So why is he referencing stories
17 that align with Ripple's goals in his request for
18 funding?

19 MR. SOLOMON: Objection; calls
20 for speculation.

21 A. I don't know.

22 Q. Were the ads for Ripple or for XRP?

23 A. Ripple.

24 Q. If I -- if I clicked on the ad, what
25 would it take me to?

1 A. I think it would take you --

2 MR. SOLOMON: Objection.

3 A. I think it would take you to the Ripple
4 website.

5 Q. The how to buy XRP part of it? Which
6 part of it?

7 A. I don't know.

8 Q. Okay. You don't know either way, so it
9 could have been that part?

10 A. I would be very surprised if that were
11 the case.

12 Q. Why?

13 A. When Ripple thinks about its marketing
14 of Ripple, its primary goal is signing up
15 financial institutions to RippleNet or other
16 goals.

17 Q. And one of the ways you sign up
18 financial institutions is ads on [REDACTED]

19 [REDACTED]
20 MR. SOLOMON: Objection; form.

21 A. We spend marketing dollars to generate
22 leads on financial institutions globally in lots
23 of different ways. One of them has been spending
24 money on [REDACTED].

25 Q. And has Mr. [REDACTED] ever sort of given

1 you any, like, traffic numbers to show that
2 financial institutions are visiting his web to --
3 you know, so that it's sort of worth your money?

4 A. I mean, if -- maybe I can save us both
5 some time on this. I will stipulate up front that
6 I don't think this is the best marketing spend we
7 ever spent. I think a board member is
8 championing -- and as I testified earlier -- the
9 creation of a new website. It hopefully improves
10 the overall coverage of crypto and blockchain in a
11 way that matures the industry.

12 Even if that doesn't yield a direct
13 lead, as a board member it's probably something
14 that I'm going to be slightly more sympathetic to
15 than the specific measurement of how many
16 financial institution leads did we get from the
17 website. But we also may have gotten some leads.
18 I don't know.

19 Q. Sure.

20 And I guess my question is, do you have
21 any understanding as to why Mr. [REDACTED] is giving
22 you a list of articles published about crypto as
23 opposed to a list of leads you got from the ads on
24 his website?

25 MR. SOLOMON: Objection; asked

1 and answered.

2 A. I think he's trying to substantiate
3 something that he's saying that is his opinion by
4 providing data. I happen to have scanned some of
5 the stories and I don't agree with him.

6 Q. You don't agree with the stories?

7 A. I don't agree with his
8 characterization --

9 Q. Oh, I'm sorry.

10 A. -- that you read earlier.

11 Q. You don't agree with his
12 characterization that the site has been valuable
13 in advancing Ripple's aims?

14 MR. SOLOMON: Objection; form.

15 A. What he writes is "I believe we've been
16 able to show over the course of the year that the
17 site has been incredibly valuable in advancing
18 Ripple's aims. I've attached" --

19 THE REPORTER: You're going to
20 have to slow down.

21 THE WITNESS: Sorry.

22 MR. SOLOMON: Read -- read
23 slower.

24 A. "I believe we have been able to show
25 over the course of the year that the site has been

1 incredibly valuable in advancing Ripple's aims.
2 I've attached a spreadsheet that contains almost
3 50 stories that align with Ripple's goals."

4 The font size makes it challenging, but
5 I -- as I scan this, I have a hard time
6 understanding how the Central Bank of the Bahamas
7 launching the world's first central bank digital
8 currency aligned -- sorry.

9 MR. SOLOMON: It's not just me
10 even though you're wearing glasses, just
11 for the record.

12 A. That power -- tourism economy -- you
13 know, here's a -- "The nonprofit has already
14 joined forces with the Libra Association and Celo
15 Foundation to use blockchain technology to bring
16 the" --

17 THE REPORTER: You're going to
18 have to slow down when you read.

19 THE WITNESS: I apologize.

20 A. I don't think I need to read the
21 headlines. My point is Mr. [REDACTED] is seeking --
22 he's selling. He's seeking money from Ripple and
23 he's creating a narrative of why it would be good
24 for Ripple to do that. I'm reviewing what he said
25 and I'm reviewing his data he's substantiating it

1 with and I'm saying I don't know.

2 Q. In other words, you don't think that all
3 of these articles advance Ripple's goals?

4 A. Yeah. Yeah. I -- it's not clear to me
5 that what he is representing, that there's 50
6 stories that have -- "contains almost 50 stories
7 that align with Ripple's goals," I don't know if
8 that's true or not.

9 Q. There's a story, though, referenced
10 about Chris Giancarlo's statement that XRP is not
11 a security, right?

12 MR. SOLOMON: Let's focus in on
13 that. I want to see that one.

14 MR. TENREIRO: It's in the last
15 page that actually has language.

16 MR. SOLOMON: Okay. Give me a
17 minute to read that one, please.

18 THE WITNESS: Actually, can
19 somebody point to me where that is?

20 MR. SOLOMON: I really think you
21 guys should put this up or give him a
22 chance to really closely review it. I
23 don't think it's fair.

24 MR. TENREIRO: Yeah. It's just
25 on the last page with text on the middle

1 of the page. It's on 6/18/2020. "'Crypto
2 Dad' Chris Giancarlo." And I'll just read
3 it since I apparently have a little bit
4 better vision.

5 "'Crypto Dad' Chris Giancarlo:
6 XPR is not a security." That's the head.
7 The subhead is "The former Commodity
8 Futures Trading Commission chair was a
9 leading force in removing the Scarlett
10 'S' from bitcoin and ether, and he
11 remains influential. But making the same
12 argument for XRP is weakened as his law
13 firm works for Ripple."

14 BY MR. TENREIRO:

15 Q. Do you see that?

16 A. Yes.

17 Q. Does that article advance Ripple's
18 goals?

19 A. Yeah.

20 Q. Okay. And did you provide Mr. ██████████
21 with talking points to share with Mr. Giancarlo
22 before he made public statements about XRP's
23 status under the securities laws?

24 A. Not that I'm aware of.

25 Q. Let's look at Exhibit 108, please.

(Whereupon, exhibit is received

and marked Garlinghouse Deposition

Exhibit 108 for identification.)

BY MR. TENREIRO:

Q. While they get it, do you think someone who was a board member for Ripple for three years understands Ripple's goals?

MR. SOLOMON: Objection; calls

for speculation.

A. I would hope so.

Q. Okay. Did Mr. Larsen have any input in the decision to hire [REDACTED]?

MR WARD: Object to form.

A. I don't think we hired

O. To pay

A. Yes.

Q. What input did he have?

A. He thought we should do it.

Q. And did you think that you should do it?

A. I didn't know. I believe that advancing
nalistic credibility and journalistic
essentialism in the crypto industry is a good
g. Whether or not [REDACTED] was the
way to achieve that, I don't know.

Q. Did Ripple have involvement in

1 [REDACTED] s preparation of articles it might
2 publish on its website related to Ripple?

3 A. No. Well, wait, wait, wait. That's not
4 fair. You're asking me did Ripple have
5 involvement? I made myself available for
6 interviews by reporters who worked for [REDACTED]

7 [REDACTED] who then wrote articles about Ripple.

8 As he references, sometimes I didn't like them.

9 Q. And in terms of journalistic
10 professionalism, did you request that [REDACTED]

11 [REDACTED] disclose payments from Ripple to [REDACTED]
12 [REDACTED] when it was reporting on Ripple?

13 A. I believe -- you'd have to ask [REDACTED]
14 [REDACTED] I believe [REDACTED] did have
15 information on its website that disclosed that [REDACTED]
16 [REDACTED]

17 Q. My question: In terms of journalistic
18 professionalism, did you request that [REDACTED]
19 [REDACTED] disclose payments from Ripple to [REDACTED]
20 [REDACTED] when it was reporting on Ripple?

21 A. I've never heard of any company --
22 that's a question for a journalist, not for the
23 company. For me to request The New York Times --
24 I mean, I don't know. At some point we have
25 sponsored things at Fortune Magazine. When they

1 write about Ripple, do they disclose that we have
2 spent marketing dollars on Fortune related -- you
3 know, that's a question for a journalist. I don't
4 think it's a question for Ripple.

5 Q. Right. My only question, though, was
6 whether you requested that.

7 MR. SOLOMON: Do you remember
8 requesting that?

9 A. I don't recall ever requesting that.

10 Q. Okay. Here's Exhibit 108, which is
11 GARL_Civil-1342. Two-page text messages.

12 THE WITNESS: Sorry. Could you
13 make a copy available for --

14 MR. SOLOMON: He's bringing some
15 more copies. Oh, do you have any more?

16 MR. TENREIRO: I gave you six.

17 There's just one page there.

18 THE WITNESS: Oh, sorry. Oh,
19 right. Sorry, sorry, sorry.

20 (Pause)

21 BY MR. TENREIRO:

22 Q. Okay. Having looked at that text chain,
23 does that refresh your recollection as to whether
24 you provided talking points to Mr. Giancarlo
25 through [REDACTED] ?

1 A. I -- I still don't recall. I see that
2 on the piece of paper.

3 Q. So did you provide it? I mean, do you
4 have any reason to believe that you did not
5 provide talking points?

6 A. No, I see that I provided some
7 information to Mr. [REDACTED] via text messages. I --
8 I don't recall doing this.

9 Q. Why did you provide that information to
10 Mr. Kurson for ideas for -- let's be clear.

11 On the second page of the email -- of
12 the text chain, there appears to be a text from
13 you at 21:25:02.

14 Do you see that?

15 A. I do.

16 Q. Okay. Is that -- is that your phone
17 number?

18 A. It is.

19 Q. Okay. And it says "Here are three ideas
20 for C."

21 Do you see that?

22 A. I do.

23 Q. Is that a reference to Chris Giancarlo?

24 A. I presume.

25 Q. Okay. And then you have three points.

1 I'm not going to read them.

2 Why did you provide those points to C?

3 A. I think I'm suggesting ideas at [REDACTED] s
4 request as to how Giancarlo could be helpful.

5 Q. Helpful to what?

6 A. To providing clarity in the market about
7 the regulatory status of XRP.

8 Q. By removing the Scarlett S as he called
9 it in the article on [REDACTED] ?

10 A. I --

11 MR. SOLOMON: Objection; form.

12 A. I -- I mean, you're conflating -- you're
13 merging two things that have a lot of distance
14 between them in my mind, but...

15 Q. Well, the Scarlett S is a reference to
16 security, right? Is that how you understand it?

17 A. I -- I believe so.

18 MR. SOLOMON: Objection; form.

19 A. I'm not sure I read the article.

20 Q. Okay. And did Mr. [REDACTED] provide these
21 ideas to Mr. Giancarlo?

22 A. I don't know.

23 Q. In terms of advancing professional
24 behavior in journalism, did you request to
25 Mr. [REDACTED] that he disclose in his article about

1 Giancarlo that you had provided some of the
2 talking points?

3 MR. SOLOMON: Do you remember
4 doing that, Brad?

5 THE WITNESS: Well, hold --

6 MR. TENREIRO: Please don't
7 coach, Matt.

8 Q. Did you ask -- did you ask --

9 MR. SOLOMON: That's the question
10 you just asked.

11 MR. TENREIRO: No.

12 Q. I simply -- I asked you if you requested
13 to Mr. Kurson that he disclose that you had
14 provided talking points.

15 A. Okay. So the first thing, I think, is I
16 am not aware that the article you're referencing
17 was written by Mr. [REDACTED].

18 Q. Did you request to Mr. [REDACTED] that
19 [REDACTED] whoever wrote it, make a
20 disclosure about your talking points?

21 A. No. I don't think these talking
22 points -- let's look at the date on the previous
23 exhibit and see if --

24 Q. June 2020.

25 THE REPORTER: June?

1 MR. TENREIRO: 2020.

2 MR. SOLOMON: What's June 2020?

3 MR. TENREIRO: I think he's

4 looking for the date of the article.

5 MR. CERESNEY: Right. The
6 article is June 2020. His text
7 is January --

8 MR. TENREIRO: I understand.

9 MR. CERESNEY: The subsequent
10 email is December 2020.

11 A. Is your assertion that the text --

12 Q. I'm not making any assertions.

13 MR. CERESNEY: I think you
14 interrupted.

15 MR. SOLOMON: I think he thinks
16 you are. So maybe ask him questions.

17 BY MR. TENREIRO:

18 Q. My question is, did you request that
19 Mr. [REDACTED] disclose in the [REDACTED]
20 article about Giancarlo that you had provided
21 talking points to Mr. [REDACTED] It's a question.

22 A. I provided talking points to Mr. [REDACTED]
23 in January. Someone at [REDACTED] wrote an
24 article five months later, not Mr. [REDACTED] And
25 you're wondering if I asked Mr. [REDACTED] to disclose

1 in the article that I had provided talking points
2 to a board member about a conversation with
3 Giancarlo? Do I have that right?

4 Q. Yes.

5 A. No.

6 Q. Okay. Did you make public comments
7 about Mr. Giancarlo's statement about XRP?

8 A. I don't recall.

9 Q. Okay. Did you, if you made public
10 comments about Mr. Giancarlo's statement about
11 XRP, talk about Mr. [REDACTED] s relationship to
12 Giancarlo, for example?

13 MR. SOLOMON: I'm sorry. You
14 said if he made comments?

15 MR. TENREIRO: Well, he says he
16 doesn't recall. But I'm asking if he
17 made, you know, public statements about
18 [REDACTED] s relationship to Giancarlo.

19 MR. SOLOMON: So, separately, do
20 you recall making statements about --

21 THE WITNESS: I don't know what
22 [REDACTED] s relationship with Giancarlo is.

23 BY MR. TENREIRO:

24 Q. Okay. Did he provide the talking points
25 you suggest in your text?

1 A. I believe you asked that and I said no.

2 Q. Have you ever --

3 A. I don't know.

4 Q. Have you ever met Mr. Giancarlo?

5 A. I don't know.

6 Q. Have you ever spoken to him?

7 A. I think I might have had a phone call
8 with him once.

9 Q. About what?

10 A. I don't recall.

11 Q. And Ripple has hired his law firm?

12 A. I believe that's the case.

13 Q. Okay. And just to -- what's -- is this
14 for legal advice?

15 A. I believe that's the case.

16 Q. Who -- when was the law firm hired? Is
17 this Willkie Farr?

18 MR. SOLOMON: Objection; form.

19 A. Had you not said the name, I wouldn't
20 have known the answer, but I believe that's
21 correct. And I would have to ask one of the
22 people at this table for when Willkie Farr was
23 engaged.

24 Q. Right.

25 Have you ever provided anything of value

1 to Mr. Giancarlo?

2 A. Have I personally provided anything of
3 value --

4 Q. Ripple.

5 A. I mean, to the extent that Ripple hired
6 the law firm Willkie Farr, I think by extension
7 that we provided some value to Mr. Giancarlo --

8 MR. SOLOMON: Objection to your
9 use of -- of a legal term. Anything of
10 value? I'm not sure what the insinuation
11 is. They hired a firm. That's what they
12 did.

13 MR. TENREIRO: I asked --

14 MR. SOLOMON: I was
15 (Indiscernible cross talk;
16 reporter requests one speaker)

17 MR. SOLOMON: Are you asking
18 something apart from hiring a law firm
19 when you say "a thing of value"? I want
20 to make that clear --

21 MR. TENREIRO: Yeah, I --

22 MR. SOLOMON: -- because that's
23 confused. It has all kinds of legal
24 meaning, as you know.

25 MR. TENREIRO: Thank you.

1 BY MR. TENREIRO:

2 Q. Other than the hiring of the law firm,
3 has Ripple ever, you know, paid anything for
4 Mr. Giancarlo? I was using "anything of value"
5 just to be broad.

6 A. Not that I can recall.

7 Q. Okay. And have -- have you,
8 Mr. Garlinghouse, directly or indirectly, ever
9 provided anything of value to Mr. Giancarlo?

10 A. Not that I'm aware of.

11 Q. Okay.

12 MR. TENREIRO: Let's do 121,
13 which I have. And this one, I don't know
14 how many copies I have.

15 MR. SOLOMON: That's okay. We'll
16 deal with it.

17 (Whereupon, exhibit is received
18 and marked Garlinghouse Deposition
19 Exhibit 121 for identification.)

20 MR. TENREIRO: All right. For
21 the record, this is an email with Bates
22 RPLI_SEC 235028. It appears to be around
23 November 27, 2018.

24 BY MR. TENREIRO:

25 Q. I don't see you on the e-mail, but I'm

1 going to ask you some questions about the
2 contents.

3 Have you read it?

4 A. Yes.

5 Q. Okay. Do you recall an article on
6 [REDACTED] about infighting at CoinBase and
7 the exclusion of XRP from CoinBase? Do you recall
8 that?

9 A. No.

10 Q. Mr. Larsen says, "Nice. We're getting
11 very friendly with them, by the way. [REDACTED] even
12 apologized to me at a recent event."

13 Do you see that?

14 A. Yes.

15 Q. Do you know who the reference to [REDACTED]
16 is to?

17 A. I assume [REDACTED], but I don't
18 know.

19 Q. Who is [REDACTED]

20 A. He's the [REDACTED]

21 Q. Okay. And then it says "Yes, Brad told
22 me that. But I didn't put it in the story because
23 I didn't want to blow you up."

24 Do you see that?

25 A. I do.

1 Q. Okay. Did you tell -- what did you tell
2 Mr. [REDACTED] about the relationship with [REDACTED]
3 before the article was published?

4 A. I -- I don't recall.

5 Q. Okay. Were you around November of 2018
6 getting more, you know, friendly with

7 Mr. [REDACTED].

8 A. No.

9 Q. Okay. And do you recall a story
10 suggesting that there were personal reasons why
11 CoinBase was not listing XRP?

12 A. Can you ask the question again?

13 Q. Do you recall a story in the media
14 suggesting that there were personal reasons why
15 CoinBase was not listing XRP?

16 A. The only recollection I have is there
17 was a meme suggesting that I had dated [REDACTED]
18 [REDACTED] and there was somebody
19 upset with somebody about it. And I -- I don't
20 know where that came from, but I thought it was
21 funny so I happen to remember it.

22 Q. Someone suggesting that and that could
23 have been the reason why there was no listing?

24 A. Yeah.

25 Q. All right.

1 MR. TENREIRO: Let's look at 122.

2 (Whereupon, exhibit is received

3 and marked Garlinghouse Deposition

4 Exhibit 122 for identification.)

5 MR. TENREIRO: All right. So

6 this is a two-page email, RPLI_SEC 591715.

7 And it appears to be an email between

8 Ms. Long and Mr. [REDACTED] on April -- May

9 28, 2020.

10 BY MR. TENREIRO:

11 Q. Now, before I get into the email,

12 Mr. Garlinghouse, did you have an understanding as

13 to what sort of authority Mr. [REDACTED] had at [REDACTED]

14 [REDACTED] with respect to content of articles?

15 A. I -- I don't know.

16 Q. Okay. And "XRP Facts" is the title of

17 this email? The subject, rather. Do you see

18 that?

19 A. Yes, I do see it.

20 Q. Okay. And Ms. Long says "Hi, [REDACTED]

21 Below are facts or arguments to these 3-4 topics.

22 I'm stalled coming up with expert sources, but

23 will keep thinking on it."

24 Then he says "This is a great start for

25 our reporting, thank you. Definitely would

1 benefit from an expert who could verify some of
2 this."

3 Do you see that?

4 A. Yes.

5 Q. Okay. And what -- what is the purpose
6 of Ms. Long, if you know, providing this
7 information to Mr. [REDACTED].

8 A. I'm going to read the document first.

9 Q. Yes.

10 MR. SOLOMON: He's not on this
11 email. It's fine to show it to him, but I
12 just...

13 MR. TENREIRO: Okay.

14 MR. SOLOMON: What do you think?

15 MR. TENREIRO: After this, let's
16 do it.

17 A. Can you repeat the question?

18 Q. Yes.

19 The question is, what is the
20 purpose of Ms. Long providing this
21 information to Mr. [REDACTED] if you know?

22 MR. SOLOMON: Objection;
23 speculation.

24 A. I don't know.

25 Q. Did she discuss with you providing XRP

1 facts to Mr. [REDACTED] for his reporting?

2 A. I don't recall.

3 Q. Did you approve of her providing XRP

4 facts to Mr. [REDACTED] for her reporting?

5 A. I don't recall.

6 Q. Were there other occasions other than

7 this where you -- whether anyone -- sorry.

8 Were there other occasions other than

9 what's reflected in this email where people at

10 Ripple might have provided facts about XRP for

11 reporting on [REDACTED]?

12 MR. SOLOMON: Objection;

13 speculation.

14 A. If [REDACTED] were writing a story

15 about Ripple, we would have cooperated with them,

16 as we would most media outlets, to clarify,

17 correct, educate what is Ripple, what is XRP, and

18 the differences between.

19 Q. And did the -- did other media outlets

20 -- did other media outlets come to Ripple often to

21 educate about what is XRP?

22 A. Well, they would come to us in covering

23 Ripple and/or covering XRP. And to the extent

24 they had questions, we would engage with them as

25 constructively as we could.

1 Q. But my question is, did that occur often
2 with other media outlets other than [REDACTED]
3 [REDACTED]

4 A. Yes.

5 Q. Okay.

6 A. There was a lot of interest in crypto.

7 And I think Ripple as a leader in the space gets a
8 lot of media attention.

9 Q. And did a lot of media outlets come to
10 Ripple for information about XRP other than [REDACTED]
11 [REDACTED]

12 A. Yes.

13 Q. Is that it? Okay.

14 MR. SOLOMON: He's saying "a
15 lot." If there's just something -- I just
16 want to make sure.

17 MR. TENREIRO: I think he
18 answered.

19 A. Yeah. I think my -- my testimony is
20 Ripple has a lot of attention in the marketplace.
21 Ripple is known as having expertise as it relates
22 to XR -- XRP, both by virtue of our engineering
23 resources, the fact that we use it in our
24 technology stack. And so to the extent people are
25 interested in XRP, they would come to us on

250

1 occasion.

2 Q. When you said "people," you're referring
3 to the press, right?

4 A. Yeah.

5 Q. Okay.

6 A. Well, press and analysts. I mean,

7 apparently [REDACTED]

8 Q. Members of the public?

9 A. Sometimes, yeah.

10 Q. Okay.

11 MR. TENREIRO: Let's go off the
12 record.

13 THE VIDEOGRAPHER: All right.

14 Going off the record at 1:04.

15 (Whereupon, a luncheon recess is
16 taken.)

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1 A F T E R N O O N S E S S I O N

2 THE VIDEOGRAPHER: Okay. Back on
3 the record at 1:53.

4 Go ahead.

5 BY MR. TENREIRO:

6 Q. Mr. Garlinghouse, I see you brought your
7 phone.

8 A. I did, actually.

9 Q. Can you tell me who you communicated on
10 with Signal, please?

11 A. My -- I was -- I did communicate on
12 Signal --

13 Q. No, not now. Just generally, who have
14 you communicated with on Signal, since you have
15 the list on your phone with the messages?

16 A. Oh, you want me to -- sorry. You would
17 like me to open my phone and go through who on
18 Signal I've communicated with?

19 Q. Yes.

20 A. [REDACTED] (phonetic)

21 Q. Why don't we do this. Why don't you
22 just read me the people who work at Ripple first.
23 I don't need to know anyone -- everyone you
24 communicated with.

25 A. Okay. [REDACTED] Monica

1 Long.

2 I'm now back on July 3rd and I haven't
3 hit any other names.

4 June, Chris Larsen.

5 May, Asheesh Birla. May 11th,
6 [REDACTED]

7 I'm now back to the beginning of the
8 year. Do you want me to keep going?

9 Q. Yes.

10 A. [REDACTED] He is no longer, but...

11 MR. SOLOMON: Are you able to
12 clarify text versus phone calls versus
13 email?

14 THE WITNESS: I'd have to open it
15 to --

16 MR. SOLOMON: Okay.

17 THE WITNESS: -- see that.

18 MR. SOLOMON: Do you want him to
19 sit here and do this now?

20 MR. TENREIRO: I just -- just the
21 Ripple people. If you want him to
22 clarify, you can clarify. I asked who he
23 communicated with --

24 MR. SOLOMON: Okay.

25 Communications --

1 (Indiscernible cross talk;

2 reporter requests one speaker.)

3 MR. SOLOMON: Communications may

4 be either a telephone call or a

5 communication. That's fine.

6 A. [REDACTED] Now we're back in 2020, but

7 [REDACTED] Patrick Griffin, [REDACTED]

8 [REDACTED]

9 Q. Just let me know when you get to 2018.

10 A. Oh, geez. [REDACTED]

11 Q. This is the last time you communicated

12 with these people? Is that what it reflects?

13 A. To be honest with you, I don't -- well,

14 actually, an -- an important clarification that

15 Mr. Solomon has brought up, the [REDACTED] entry

16 does not suggest I've communicated with her. It

17 just says "[REDACTED] is on Signal."

18 So I think what happens, if you were

19 to -- if I had your mobile number in my address

20 book and you started using Signal, I would get a

21 notification. So all it says is that "[REDACTED]

22 is on Signal." I apparently have never

23 communicated with her on Signal.

24 So some of the names I've -- I'm reading

25 to you the Ripple -- as you requested, I'm reading

1 to you the names of employees or those affiliated,
2 like board members, at Ripple as they come up
3 chronologically.

4 I'm now back in April of 2020. [REDACTED]

5 [REDACTED] is listed at April 2020.

6 Q. Okay. Well, we'll get the rest of the
7 information from your counsel. Let's move --
8 let's move on then.

9 Thank you.

10 A. Well, if I may clarify.

11 Q. Please.

12 A. I believe, as part of discovery, you
13 have received the information that -- this is
14 information that was collected during discovery.

15 Q. Okay.

16 MR. SOLOMON: Yeah, I'm not quite
17 clear on what those names are relevant to
18 or what they signify. We'd have to go
19 through each of them to see whether it was
20 a phone call, whether it was a message,
21 whether it was them popping up as having
22 joined Signal.

23 THE WITNESS: Right.

24 MR. SOLOMON: We haven't done
25 that yet, but I think the SEC got a

1 sampling of the people in the last year or
2 so whose names come up through your phone
3 when you scroll through your phone. So
4 that's fine.

5 MR. TENREIRO: Yeah.

6 BY MR. TENREIRO:

7 Q. Okay. Sorry, when you were scrolling
8 there, was Mr. Solomon there as well? I know I
9 asked you for Ripple people, but...

10 A. I believe I saw his name. I did not
11 include him in the --

12 MR. SOLOMON: Right.

13 A. He's sort of a Ripple person.

14 MR. SOLOMON: Sure.

15 MR. TENREIRO: Okay. Let's do
16 Exhibit 77.

17 (Whereupon, exhibit is received
18 and marked Garlinghouse Deposition
19 Exhibit 77 for identification.)

20 MR. TENREIRO: So for the record,
21 this is an email, RPLI_SEC 765249, two
22 pages. It appears to be around February
23 of 2016.

24 (Pause)

25 THE WITNESS: Okay.

1 BY MR. TENREIRO:

2 Q. Okay. Mr. Garlinghouse, just generally,
3 is it fair to say that this email, one of the
4 things that it's about, it's about a potential
5 how-to guide about buying XRP?

6 A. I believe that's fair, yeah.

7 Q. Okay. You say "Echoing Monica's
8 sentiment, a how-to guide would be very valuable."

9

10 Why would it be valuable or why
11 was it valuable in February of 2016 to
12 have such a guide?

13 A. I -- I don't recall. What the email
14 seems to suggest is that consumers are -- well,
15 one point of reference. [REDACTED] at that
16 point read -- ran customer support. And so he's
17 getting, I'm sure, inquiries from people all over
18 the world that -- to [REDACTED] and trying
19 to address a question that I guess is coming up
20 frequently. So it's answering a question.

21 Q. The question is how to buy XRP?

22 A. I believe that's what [REDACTED] is saying,
23 yes.

24 Q. [REDACTED] references "consumers." And I
25 think you just said that word, or maybe you said

1 customer, but -- oh, you said consumer. Okay.

2 So was there a practice at Ripple around
3 February of 2016 to refer to potential purchasers
4 of XRP as consumers?

5 A. I don't know.

6 Q. Okay. And so what is the reference to
7 "consumer" here? "If you, as a consumer, heard
8 about XRP from the news and wanted to buy some,
9 there's a better than average chance you'd find
10 the whole process too difficult and quit."

11 What is the reference to "consumer"
12 there?

13 A. We'd have to ask [REDACTED]

14 Q. What did you understand it to mean when
15 you read the email?

16 A. There's another reference to consumers
17 above that. It says "Even though we don't serve
18 consumers" --

19 Q. Uh-huh.

20 A. -- "they play a role in the broader
21 Ripple ecosystem."

22 Q. Right.

23 A. So I think consumers are individuals
24 around the globe that may be emailing
25 [REDACTED] ripple.com.

1 Q. And so Ms. Long says "We don't serve
2 consumers."

3 Do you understand that to mean "we,"
4 Ripple, doesn't serve consumers?

5 MR. SOLOMON: Objection; form.

6 A. I -- I don't want to speculate what she
7 meant. I -- I read it as that we, Ripple, don't
8 have consumers as a target market.

9 Q. Right. And I definitely want to know
10 what you read it as, not what you speculate as.
11 So that's helpful.

12 And then the email says "Even though we
13 don't serve consumers, they play a role in the
14 broader Ripple ecosystem, and whether we like it
15 or not, they go to ripple.com to figure out how to
16 get started."

17 So, again, just reading that, do you
18 have an understanding as to what she's talking
19 about, the role that consumers play in the Ripple
20 ecosystem?

21 A. I do not.

22 Q. Okay. What role do -- in -- what role
23 in 2016 did consumers play in the Ripple
24 ecosystem?

25 A. I don't think I could give you an

1 exhaustive list. As we've discussed during the
2 deposition, there's many use cases for XRP. Some
3 of them in 2016 were consumer oriented; some of
4 them not consumer oriented. And so I don't know
5 that I have a list. I don't remember in 2016 what
6 consumer-facing projects existed in the XRP
7 ecosystem.

8 Q. And who would know?

9 A. In -- who would know today or --

10 Q. Yeah. If I wanted to find out in 2016
11 the projects that might have existed.

12 A. I -- I -- I don't know.

13 Q. Okay. You say "We can run it by AOG to
14 make sure we aren't overdoing/promoting."

15 Do you see that?

16 A. I do.

17 Q. Who's AOG?

18 A. I believe I'm referencing Antoinette
19 O'Gorman.

20 Q. What were you trying to run by her? The
21 how-to guide?

22 A. I believe that's what I'm suggesting,
23 yep.

24 Q. Did the how-to guide actually get
25 published at some point by Ripple?

1 A. I don't know.

2 Q. Did the how-to guide discuss potential
3 use cases of XRP by the consumers that were
4 reading the guide?

5 A. I don't know if the guide existed.

6 Q. Fair enough.

7 Why are you suggesting that you consult
8 AOG?

9 A. I don't recall. I have -- I mean, I
10 could speculate based upon, you know, what I wrote
11 about five years ago. More than five years ago.

12 Q. You talked about -- you talk about "to
13 make sure we aren't overdoing/promoting."

14 What are you referring to there?

15 Overdoing what?

16 A. I -- I don't recall. I can speculate
17 based upon what I might have meant five years ago.

18 Q. Go ahead.

19 A. So Antoinette O'Gorman was our chief
20 compliance officer. We had signed a settlement
21 with FinCEN that restricted certain activities and
22 what have you. And so AOG would have been making
23 sure we were living within the framework of that
24 settlement agreement with FinCEN.

25 Q. Okay. Was there something in the

1 agreement that related to overdoing something or
2 promoting something?

3 A. I -- I don't recall.

4 Q. So Ms. O'Gorman, one of her functions
5 was to make sure that Ripple was complying with
6 that -- with that settlement agreement?

7 A. As chief compliance officer, that would
8 be part of her responsibilities, yes.

9 Q. And that settlement agreement has
10 expired?

11 A. I don't know the details.

12 Q. Okay. Ms. O'Gorman -- was this how-to
13 guide run by her?

14 A. I don't know if the how-to guide exists.

15 Q. Understood that maybe it didn't exist,
16 but did someone consult her with -- about a
17 potential how-to guide?

18 A. Beyond this email, I don't recall.

19 Q. Okay. And if typically -- I mean, were
20 you typically following her directive about how to
21 comply with the FinCEN settlement, if she gave any
22 directives?

23 A. Yes, I --

24 MR. SOLOMON: Objection.

25 A. I took the advice of the chief

1 compliance officer seriously. And to the extent
2 she felt we were acting outside the scope of the
3 FinCEN agreement, I would certainly take that
4 seriously.

5 Q. Okay. So would hers be emails you read?
6 If you got emails from Antoinette O'Gorman --

7 THE REPORTER: Wait.

8 Q. If you got emails from Antoinette
9 O'Gorman, would those be more likely to have been
10 read or not?

11 MR. SOLOMON: Objection to form.

12 A. I -- I -- I believe my testimony earlier
13 was my reading of emails probably has more to do
14 with how busy I am that day on other projects, not
15 filtered so much by who they're from. I found
16 Antoinette's emails to be not dissimilar to other
17 emails.

18 Q. Okay. Let's look at this one.

19 MR. TENREIRO: Exhibit 81.

20 MR. SOLOMON: Can I have one?

21 THE WITNESS: Oh, sorry, sorry,
22 sorry.

23 (Whereupon, exhibit is received
24 and marked Garlinghouse Deposition
25 Exhibit 81 for identification.)

1 MR. TENREIRO: For the record,

2 RPLI_SEC 761766, two-page email.

3 MS. FORBES: Which exhibit is

4 this?

5 MR. TENREIRO: 81.

6 MS. FORBES: 81. Thank you.

7 (Pause)

8 BY MR. TENREIRO:

9 Q. Okay. This appears to be an email

10 thread from October 31st, 2016, Halloween.

11 Do you see that?

12 A. I do.

13 Q. Okay. Ms. O'Gorman says to you and

14 Mr. Griffin -- sorry. Mr. Griffin asks "Can XRP

15 be both a currency (FinCEN territory) and a

16 commodity, (CFC territory) -- (CFTC)?"

17 She responds, "Yes, it can, and more.

18 IRS is of the opinion that virtual currency is

19 'property.' CFTC treats it as a 'commodity.'

20 FinCEN has stated their opinion that 'virtual

21 currency operates as "real" currency in some

22 environments' and the SEC may well come out on the

23 side that certain cryptocurrencies are

24 securities."

25 And then she says something about

1 "interesting conundrum...that begs for a more
2 uniform regulatory approach."

3 Do you see that?

4 A. I do.

5 Q. Okay. And is this some of the advice
6 from your chief compliance officer that you took
7 seriously?

8 A. I don't know.

9 MR. SOLOMON: Do you want to read
10 the rest of the sentence to him rather
11 than read just a portion of it?

12 Q. It says "Interesting conundrum and one
13 that begs for a more uniform regulatory approach
14 at the federal and state levels, but the
15 probability of that ever happening is extremely
16 low."

17 Do you see all that?

18 A. I do.

19 Q. Okay. And below Ms. O'Gorman -- sorry.

20 Below that, at the bottom, you have said
21 that you and she had just caught up on the issue
22 about some legal guidance.

23 Do you see that?

24 A. I do. I'm trying to understand the time
25 frame here because it looks like this reply

1 happened on October 31st, but this happened on
2 November 1st, which doesn't really make sense.
3 But anyway, that maybe isn't relevant to your
4 question.

5 Q. Yeah. I think that's because of the
6 time, you know, 1:33 a.m. Emails report different
7 times based on where you're sending them.

8 MR. SOLOMON: Maybe you were
9 overseas or something. That is weird.

10 MR. TENREIRO: Yeah. All right.

11 BY MR. TENREIRO:

12 Q. Did you -- when you caught up with
13 Antoinette O'Gorman on the issue here, did you
14 discuss the possibility that different regulatory
15 agencies can view XRP as different things under
16 their regimes?

17 MR. SOLOMON: Objection; form.

18 A. I don't recall.

19 Q. Did Ms. O'Gorman ever state to you
20 anything different, other than what she's stating
21 here, that while FinCEN might have one
22 classification for XRP, other agencies such as the
23 IRS --

24 THE REPORTER: Slow down,
25 please.

1 BY THE REPORTER:

2 Q. -- such as the IRS and the SEC might
3 have different --

4 THE REPORTER: You're going to
5 have to start the question over again.

6 MR. TENREIRO: Yes.

7 Q. Did Ms. O'Gorman ever state anything to
8 you different other than what she's stating here,
9 that while FinCEN might have one classification
10 for XRP, other agencies such as the IRS, the CFTC
11 and the SEC, might have different classifications?

12 A. I don't recall.

13 Q. And didn't she, in fact, reiterate this
14 view to you a few years later, after she left the
15 company?

16 A. I don't recall.

17 MR. SOLOMON: Objection; form.

18 Q. All right. Did anyone ever tell you
19 something contrary to what Ms. O'Gorman said here,
20 again, in sum and substance, that different
21 agencies could have different classifications for
22 XRP?

23 MR. SOLOMON: Objection; form.

24 A. I don't recall.

25 MR. TENREIRO: Here we go. This

1 is 44.

2 (Whereupon, exhibit is received
3 and marked Garlinghouse Deposition
4 Exhibit 44 for identification.)

5 (Pause)

6 BY MR. TENREIRO:

7 Q. Okay. So, first, is it fair to say that
8 while you were Ripple's -- as Ripple's CEO, you
9 send periodic updates to Ripple employees and
10 board members and Ripple -- Ripple shareholders?

11 MR. SOLOMON: Objection to form.

12 A. Could you ask the question one more
13 time?

14 Q. Is it fair to say that as Ripple's CEO,
15 you send periodic updates about Ripple's business
16 to employees, board members and shareholders?

17 A. Yes.

18 Q. Okay. Sometimes I think you did it
19 quarterly, sometimes maybe even weekly, is that
20 right?

21 MR. SOLOMON: Objection to form.

22 A. Depends on which audience we're talking
23 about.

24 Q. Well, for Ripple board members and
25 shareholders.

1 A. I think at various times over my tenure,
2 we've sent them monthly and sometimes we've sent
3 them quarterly.

4 Q. And some of the Ripple shareholders are
5 also XRP holders, right?

6 A. I don't know.

7 Q. What about the board members? Some of
8 them are XRP holders?

9 A. I don't know.

10 Q. Like Mr. Larsen?

11 A. Yes. Mr. Larsen, I do know he has XRP.

12 Q. And Mr. Kurson?

13 A. I don't know.

14 Q. And yourself?

15 A. Yes, I know that about myself.

16 Q. Okay. So some board members are XRP
17 holders?

18 A. Yes.

19 Q. Okay. This email thread, Exhibit 44,
20 there's a -- one of these updates to investor and
21 advisors -- do you see that? -- from you.

22 A. Yes. Is that how I addressed it?

23 Q. "Subject: Re: Ripple's Q2 investor and
24 advisor update."

25 A. Okay.

1 Q. Okay. And Ms. O'Gorman responds.

2 Do you see that?

3 A. I do.

4 Q. Okay. She says -- in the middle, she
5 says "And please let's never say again our belief
6 remains the same. XRP should be regulated as a
7 currency," and then she goes on to repeat her view
8 that XRP will be regulated "as a property, as a
9 commodity, as convertible virtual currency and
10 potentially a security, all depending on facts and
11 circumstances."

12 Do you see that?

13 A. I do see that.

14 Q. Okay. So Ms. O'Gorman, in fact -- does
15 this refresh your memory that Ms. O'Gorman
16 repeated to you in 2018 the advice she had given
17 to you in 2016 about the treatment of XRP in the
18 United States?

19 A. It does not refresh my memory. I read
20 what she has written here.

21 Q. Did you -- did she ever after this point
22 have a conversation with you where she told you
23 anything to the contrary, that it would be only
24 regulated as a currency and not as a security?

25 A. I don't recall.

1 Q. Did you have a conversation with her
2 after this email -- about this email after this
3 email?

4 A. I don't believe I spoke to her about
5 this email specifically. I've spoken to
6 Antoinette since she wrote this email.

7 Q. Sure.

8 And did you discuss -- when you've
9 spoken to her, did you discuss the issue of --

10 THE REPORTER: Slow down.

11 Q. When you spoke to her, did you discuss
12 the issue of currency versus security?

13 A. Not that I recall.

14 Q. Okay. And in -- in your update -- I'd
15 like to direct you on page 3 to the part where you
16 say "That's one of the reasons we announced the
17 University Blockchain Research Initiative."

18 Do you see that?

19 A. I do.

20 Q. Who drafted these emails for you, by the
21 way, typically?

22 A. I don't recall.

23 Q. Did you have counsel review them?

24 A. I don't know.

25 Q. Okay. Whose decision was it to commit

1 50 million to the UBRI?

2 A. The company's decision.

3 Q. Did you approve it?

4 A. Yes, I did.

5 Q. Did Mr. Larsen?

6 A. I suspect he did.

7 Q. Okay. And the purpose of this funding
8 was what?

9 A. For research and innovation in
10 blockchain.

11 Q. Did any of the companies that are
12 involved with this administrative -- sorry.
13 Companies.

14 Did any of the universities involved in
15 this initiative become -- start operating
16 validators on the XRP Ledger?

17 A. I believe some of them did.

18 Q. Which ones?

19 A. I don't recall. I think the University
20 of Kansas was one of them. Just I know because
21 I'm an alum.

22 Q. Did you ask them to?

23 A. No, I didn't.

24 Q. Who did? Did someone ask them to?

25 A. I don't know.

1 Q. Okay. Further down you say "Ripple has
2 looked closely at this topic for several years,
3 and our belief remains the same: XRP should be
4 regulated as a currency."

5 Do you see that?

6 A. I do not.

7 Q. Sir, there's a heading that says "Global
8 Progress on Regulation."

9 A. Yep.

10 Q. Two paragraphs in.

11 A. Yep. I'm with you now. Sorry.

12 Q. Okay. "Ripple has looked closely at
13 this topic for several years."

14 Can you explain what you mean by that?

15 A. I don't recall.

16 Q. What -- well, what had Ripple looked
17 into for several years?

18 A. I don't recall. I mean, I, as any
19 reader of this email, could surmise, that we've
20 been paying attention to U.S. regulation and other
21 countries' regulation of digital assets.

22 Q. For years?

23 A. Yeah.

24 Q. Does that --

25 A. Yes. Sorry.

1 Q. Does that include you, Mr. Garlinghouse?

2 A. I think -- depending upon the time
3 frame, I would say I looked at it closely at some
4 times and less closely at other times.

5 Q. When was it more times -- sorry, more
6 closely?

7 A. As I indicated in my testimony this
8 morning, I looked at it more closely after
9 receiving a letter from the SEC in late spring of
10 2018.

11 Q. Excuse me.

12 Sitting here today, are you aware that
13 different agencies in the United States might
14 treat crypto assets in different ways?

15 MR. SOLOMON: Objection to form.

16 A. Yes, which I think contributes to the
17 U.S. confusion.

18 Q. And this belief that you state here,
19 "Our belief remains the same: XRP should be
20 regulated as a currency. FinCEN and the DOJ
21 confirmed this," do you see that? And then it
22 goes on to say "My team continues to educate the
23 market, regulators and courts." Finally, you say
24 "For XRP to be a security, as some have asserted,
25 it would have to represent ownership in a company,

1 which it does not."

2 That paragraph, do you see -- do you see
3 that?

4 A. I do.

5 Q. Okay. That idea, that belief, had you
6 expressed it internally at Ripple before this
7 email?

8 A. I don't recall.

9 Q. Had you expressed it externally into the
10 market before this email?

11 A. I don't recall.

12 Q. How many times before April of 2018 did
13 you express this view outside of Ripple?

14 MR. SOLOMON: Objection; asked
15 and answered.

16 A. I don't recall.

17 Q. And how about internally? How many
18 times did you express this view before April of
19 2018?

20 MR. SOLOMON: Objection; asked
21 and answered.

22 A. I don't recall.

23 Q. Okay. Do you recall if you did at all?
24 You just don't remember the number of times, or --

25 MR. SOLOMON: Objection --

1 Q. -- you just don't recall at all
2 whatsoever?

3 MR. SOLOMON: Objection; asked
4 and answered.

5 A. Yeah, I think the question was did I
6 recall speaking to it publicly before 2018, and I
7 don't recall.

8 Q. What about China's control -- well, what
9 about the potential for China's control of
10 blockchain? Did you speak about that publicly
11 before 2018?

12 MR. CERESNEY: Objection; form.

13 A. Could you reask the question?

14 Q. Did you speak publicly about China's
15 potential control of blockchain before 2018?

16 MR. CERESNEY: Objection; form.

17 A. I -- I think the vagueness of the
18 question makes it difficult to answer.

19 Q. What's -- what -- I'm sorry --

20 A. There's lots of blockchains.

21 Q. How about let's start with the bitcoin
22 blockchain.

23 Did you speak publicly about
24 China's potential control of the bitcoin
25 blockchain before 2018?

1 A. I don't know. I don't recall.

2 Q. Did you speak privately at Ripple about
3 China's potential control of the bitcoin
4 blockchain since 2018?

5 A. I don't recall.

6 Q. Okay. Did you have -- do you know, if I
7 say the name "██████████" what I'm referring to?

8 A. Yes.

9 Q. What is ██████████

10 A. ██████████ is a -- is an investment
11 group based here in New York that invests capital
12 typically in debt financings.

13 Q. Thank you.

14 So I'm going to go back to one
15 thing that I forgot. Just a second ago,
16 we were talking about DOJ guidance or DOJ
17 confirmation in 2015 based on your email.

18 Do you see that?

19 A. I do see that.

20 Q. Okay. And you are aware that in 2020,
21 the DOJ issued guidance about how --

22 THE REPORTER: I'm sorry. You're
23 going to have to slow down.

24 Q. You are aware that in 2020 the DOJ
25 issued guidance about how different regulators in

1 the United States could regulate digital assets?

2 MR. SOLOMON: Objection; form.

3 A. I'm aware that I think sometime about a
4 year ago, in late Q3/early Q4, the DOJ did a
5 report on cryptocurrencies that enumerated many
6 different potential agencies and regulators in the
7 United States who may have some oversight of
8 digital assets and who, unfortunately, don't have
9 an aligned view on those.

10 Q. And did you view that report as
11 providing regulatory clarity or not?

12 MR. SOLOMON: Objection; form.

13 A. Well, no, I did not.

14 Q. Why not?

15 A. I -- I believe the report indicated
16 that, as I recall, there are seven or eight
17 different federal agencies or departments that all
18 looked at digital assets a little bit differently,
19 which, in my estimation, fuels confusion in the
20 marketplace about the regulatory status of digital
21 assets in the United States in contrast to other
22 countries.

23 Q. And the DOJ statement in 2015, do you
24 view that as providing regulatory clarity or not?

25 A. I don't know what statement the DOJ made

1 in 2015.

2 Q. The DOJ settlement with -- with Ripple,
3 do you view that as providing regulatory clarity?

4 A. Oh, the FinCEN settlement.

5 Q. You referenced FinCEN and the DOJ
6 confirmed this in 2015.

7 A. I actually don't recall the email, as I
8 mentioned earlier. And so I actually read that
9 differently than now you're reading it. I read it
10 as FinCEN and the DOJ separately, as two separate
11 events. Since I joined in 2015, I thought maybe
12 there was some other event that happened in 2015
13 that may have happened with the DOJ.

14 Recognizing the FinCEN settlement was
15 both, I guess, stamped by FinCEN and the DOJ, then
16 I think those two entities described XRP as a
17 currency, as a virtual currency, I believe.

18 Q. And did you -- when did you find out
19 about that settlement, by the way?

20 A. Can you maybe ask the question who --
21 when did I find out the FinCEN settlement?

22 Q. Yeah.

23 A. You know, within the first few weeks of
24 my tenure at Ripple.

25 Q. Okay. And who told you about it?

1 A. I don't recall.

2 Q. Did you ask for any sort of -- within
3 the first few weeks -- first let me ask what I
4 asked earlier.

5 Did you view the FinCEN
6 settlement as providing regulatory
7 clarity?

8 A. I suppose I was so new to the company
9 and so new to digital assets that I wasn't
10 thinking about the fact that there may not have
11 been regulatory clarity at that point. So I, at
12 that point in time, don't think I had any thoughts
13 about it.

14 Q. What about the point in time when you
15 write the email in 2018? Did you view at that
16 point in time the FinCEN settlement as providing
17 regulatory clarity?

18 A. I think any time a government is
19 speaking authoritatively through a court system
20 and describing something in a certain way, it
21 provides a certain level of clarity about, well,
22 is it this government entity, which collaborates
23 with other parts of the government, that the
24 government has said they view XRP as a virtual
25 currency?

1 Q. Do you recall the public statements you
2 made about a euphemism in the digital asset crypto
3 world about when people said regulatory
4 uncertainty, what they meant was they don't like
5 the regulatory uncertainty and they would like for
6 it to be different?

7 A. I made that comment in reference to
8 initial coin offerings and -- those initial coin
9 offerings that I thought were trying hard to avoid
10 being construed as anything other than, you know,
11 initial coin offerings that were raising capital
12 for a project that didn't exist.

13 Q. Why -- why in your estimation were they
14 trying hard to avoid being construed as such?

15 A. Because they didn't want to draw the ire
16 of the SEC.

17 Q. Going back to -- you found out -- okay.

18 The first few weeks at Ripple, I think
19 you said you find out about the FinCEN settlement,
20 but you don't recall who told you about it. Is
21 that fair?

22 A. Yes.

23 Q. Okay. Did you read it?

24 A. I don't recall.

25 Q. Did you understand that the FinCEN

1 settlement was a serious thing for Ripple?

2 A. Yes.

3 Q. You had, for example, Ms. O'Gorman to
4 make sure you complied with the settlement, is
5 that right?

6 MR. SOLOMON: Objection; form.

7 A. With -- the role of chief compliance
8 officer we had for lots of reasons. One of them,
9 which she took on, was making sure that we were
10 complying with the FinCEN settlement. We took a
11 number of other steps obviously to make sure we
12 were complying with the FinCEN settlement,
13 including winding down a consumer-facing product
14 called Ripple Trade.

15 Q. Right. And when was that wound down?

16 A. I mean, I believe summer of 2015. Right
17 around there.

18 Q. And is it fair to say you understood
19 that, you know, the FinCEN settlement arose from
20 essentially a dispute between Ripple and the U.S.
21 government --

22 MR. SOLOMON: Objection; form.

23 Q. -- that leads to a settlement of the
24 dispute?

25 A. To be honest, I wasn't at Ripple when

1 all this was going on, so I really can't speak to
2 how it came to be or how it evolved.

3 Q. Right. And I'm not asking you to. I'm
4 just asking you for what understanding you gave
5 when -- when you -- you know, you find out about
6 the settlement. I'm trying to figure out what
7 understanding you gained about what the settlement
8 was.

9 A. I -- I don't recall.

10 Q. Okay. But you understood it was a
11 serious thing, something to be taken seriously?

12 A. Yeah. I recall there was a \$700,000,
13 maybe, fine which for us at the time was a
14 material amount of money.

15 Q. Right.

16 At that time, when you found out that
17 you -- you know, Ripple would have to pay a
18 material amount of money to settle a dispute with
19 the government, did you take any steps to ensure
20 that Ripple would not get in trouble with the
21 government again?

22 A. I guess my reaction is that we have
23 always sought, as I testified earlier today, to
24 work within the clear understanding of laws around
25 the world and making sure we are partnering,

1 working, and collaborating with law enforcement,
2 with governments, et cetera.

3 So I guess my reaction is I don't think
4 we took any steps specifically -- I mean, the
5 question kind of suggests that we didn't take
6 steps beforehand that we started taking
7 afterwards. And I guess my point is, as an
8 organization and culture, of course we've always
9 tried to live within the letter of the law.

10 Q. Right. I apologize. I'm not trying to
11 suggest anything.

12 My question is, you know, you find out
13 that there's this settlement and you're starting
14 at Ripple -- you're starting to learn. What steps
15 did you, Mr. Garlinghouse, take? You know, did
16 you ask someone, This company's been around for a
17 few years. I want to make sure that what we're
18 doing is all aboveboard? Did you ask anyone
19 something like that?

20 MR. SOLOMON: Objection; form.

21 A. No.

22 Q. Okay. Did you ask, for example, to see
23 any legal opinions that the firm might have
24 procured with respect to the potential legal
25 consequences of its activities?

1 A. No.

2 Q. Why not?

3 A. Actually, to be more precise, I don't
4 recall.

5 Q. So you might have, you might not have,
6 you just don't recall?

7 A. Yeah.

8 Q. Okay. Do you think you would have done
9 that? I mean, just knowing yourself, you started
10 at a new company --

11 A. No.

12 Q. I'm sorry? You don't think you would
13 have done that?

14 A. I don't think I would have done that.

15 Q. Okay. So back to [REDACTED] What
16 relationship, if any, did [REDACTED] have to
17 Ripple?

18 A. None to my knowledge.

19 Q. Potential relationship?

20 A. We had discussed with them participating
21 in our Series C financing.

22 Q. What -- what is Project Raven?

23 A. I don't recall.

24 Q. And did [REDACTED] participate?

25 A. Not to my knowledge.

1 Q. Why not?

2 A. I think we chose a different path.

3 Q. You chose [REDACTED]?

4 A. Correct.

5 Q. Okay. But why?

6 A. My vague recollection is the terms of
7 the [REDACTED] deal were more compelling to us than
8 the terms of the deal [REDACTED] had offered.

9 Q. Was one of the terms of the [REDACTED]
10 deal as offered a restrictive covenant with
11 respect to potential regulatory action --

12 THE REPORTER: Repeat.

13 MR. SOLOMON: Objection. And
14 you've got to slow down. I'm barely
15 following.

16 Q. Was one --

17 MR. SOLOMON: You've got to slow
18 down, too.

19 Q. Was one of the terms of the [REDACTED]
20 deal as offered a restrictive covenant with
21 respect to potential regulatory action by the SEC?

22 MR. SOLOMON: Objection; form.

23 A. Sitting here today, I am aware that at
24 some point, let's see, [REDACTED] included a
25 provision in their term sheet that that was the

1 case. When we were comparing term sheets, I had
2 no idea that was the case.

3 Q. Fair enough.

4 A. I guess my point is that was not a
5 relevant data point as to why we selected [REDACTED]
6 and not [REDACTED]

7 Q. Okay. With [REDACTED] was there a
8 covenant with respect to potential SEC action?

9 MR. SOLOMON: Objection; form.

10 A. Not specifically the SEC, but
11 government, yes.

12 Q. Government what?

13 A. I think the -- in the Series C
14 financing, as it completed, there was a provision
15 that said, roughly, if there's an official
16 determination by a government -- I'm not sure it
17 said U.S. or SEC; I don't recall -- that XRP is a
18 security on a go-forward basis, then X and Y and
19 Z.

20 Q. Right.

21 And that was also a term in the
22 term sheet with [REDACTED] even though I
23 understand you didn't enter into that
24 deal, is that right? Something similar?

25 A. I did not know that. I am aware of that

1 now based upon the [REDACTED] litigation, but I
2 would not have known that then and --

3 MR. SOLOMON: That's what I want
4 you to be careful of, because you've had
5 discussions with lawyers, including Quinn
6 Emanuel, about [REDACTED] So testify about
7 what you knew at the time --

8 THE WITNESS: Yeah, okay.

9 MR. SOLOMON: -- which is
10 perfectly fine and fair for him to ask
11 you. Not what you know now --

12 THE WITNESS: Okay.

13 MR. SOLOMON: -- from that
14 litigation. It was a poor question from
15 Mr. Tenreiro --

16 THE REPORTER: I'm sorry, you're
17 talking over one another and you're
18 talking too fast. I can't get that. I
19 don't know how else to say it.

20 MR. SOLOMON: Let me say it
21 again. Do not answer questions in
22 relation to [REDACTED] to the extent it
23 touches on any advice you received or were
24 party to from Quinn Emanuel, Debevoise, or
25 any other law firm. It is perfectly fair

1 game for them to ask you questions about
2 what you understood about the relationship
3 with [REDACTED] or this other company at the
4 time.

5 THE WITNESS: Yes.

6 MR. SOLOMON: Please don't mix
7 the two because it's just going to make
8 for a very confusing record. Thank you,
9 Brad.

10 THE WITNESS: Yeah, okay.

11 BY MR. TENREIRO:

12 Q. So take a step back.

13 What involvement did you have with the
14 Series C negotiations?

15 A. Not a lot.

16 Q. Did you sign any agreements?

17 A. I don't recall.

18 Q. Did Mr. Larsen have involvement with the
19 Series C funding?

20 MR. CERESNEY: Object to form.

21 A. Less than I did.

22 Q. Okay. And did you have involvement in
23 poten -- in negotiations with [REDACTED] ?

24 A. Not material.

25 Q. Who was involved? Mr. Will?

1 A. I actually --

2 MR. SOLOMON: Objection; form.

3 A. I don't know who was on point to
4 negotiate the terms of Series C financing -- our
5 Series C financing.

6 Q. You didn't select someone to be on point
7 for that negotiation?

8 MR. SOLOMON: Objection; form.

9 A. That would not have been something that
10 I would have selected, no.

11 Q. Who would have selected that person?

12 A. Probably Ron Will.

13 Q. Okay. And based on your knowledge
14 simply of the facts, without getting into, you
15 know, conversations with counsel, I think you've
16 told me there was some sort of provision in the
17 [REDACTED] funding related to potential
18 determinations about XRP as a security, is that
19 right?

20 A. Yes.

21 Q. And did you know that fact when Ripple
22 entered into the Series C?

23 A. No.

24 Q. When was that, by the way?

25 A. When was what?

1 Q. The Series C. Around 2019?

2 A. Our Series C financing closed I think in
3 December of 2019.

4 Q. Okay. And you're saying at the time
5 that it closed, you were not aware of this
6 covenant that we're discussing?

7 A. That's correct.

8 Q. You came to find out because of the
9 litigation or in between the funding and the
10 litigation?

11 A. I don't know exactly when I came to find
12 out, but it would have been much, much closer to
13 the litigation.

14 Q. Okay. And did you ever ask anyone why
15 that covenant was in there? Not lawyers. You
16 know, anyone. Businesspeople or --

17 A. No.

18 Q. Okay. Did you ever ask that the
19 covenant be removed?

20 A. No.

21 Q. Okay. And Ripple -- you have stated
22 Ripple's view was that XRP was a currency, not a
23 security, correct?

24 A. It was also FinCEN's view, but, yes.

25 Q. Why was that covenant in there? If

1 Ripple had that view, why was it necessary?

2 THE REPORTER: Repeat that. Why
3 was?

4 Q. Why was it necessary?

5 MR. SOLOMON: Objection; calls
6 for a legal conclusion. He's not a
7 lawyer. He didn't write the contract.

8 Q. From a business perspective, why was a
9 covenant of that nature necessary?

10 A. I think it's a covenant that [REDACTED]
11 put in there. You'd have to ask them.

12 Q. You didn't ask them to take it out?

13 A. I was not involved in the negotiation of
14 the term sheet or final documents to close the
15 financing.

16 Q. Okay. Did you have, I guess, what one
17 might call Investor Days with Ripple shareholders
18 from time to time?

19 A. Yes.

20 Q. Okay. What was the purpose of those?

21 A. If you were a shareholder in Ripple, you
22 were likely interested in how the company is
23 doing. I also think it's good practice for
24 Silicon Valley start-ups that might aspire to
25 being a public company to start practicing

1 behaviors that are more public company-esque.

2 Q. Was [REDACTED] one of Ripple's
3 shareholders before the Series C?

4 A. Not to my knowledge.

5 Q. What about an entity called [REDACTED]
6 [REDACTED]

7 A. Not to my knowledge.

8 Q. When you had Investor Days from time to
9 time, did you provide these people with truthful
10 and accurate information?

11 A. I believe so.

12 Q. Okay. And would you consider the equity
13 investors that Ripple had as sort of sophisticated
14 players in the financial markets?

15 A. Could you repeat the question?

16 Q. Would you consider the equity investors
17 that Ripple had as sophisticated players in the
18 financial markets?

19 A. I don't know. I mean, Ripple has an
20 order of magnitude of 1- or 200 shareholders. I'm
21 sure some of them are sophisticated investors and
22 I'm sure some of them are less sophisticated.

23 Q. The ones that you gave Investor Day
24 presentations to, would you consider those to be
25 sophisticated?

1 A. I don't know who attended Investor Day.

2 Q. Okay. When -- did -- where were these
3 Investor Days held, at Ripple or at their offices?

4 A. I mean, perhaps I'm -- the only Investor
5 Day I specifically remember was held at a hotel in
6 downtown San Francisco. I think we had more than
7 one, but that's the one that I happen to remember.

8 Q. Can you ballpark the date of that?

9 A. I don't know. Two to three years ago.

10 Q. And what the purpose of it was, can you
11 tell me that?

12 A. I think my testimony earlier, I'd have
13 to go back and read exactly, but I think to give
14 our shareholders more information about what's
15 going on with the company and to get better at
16 practicing to being -- adopting behaviors that are
17 more public company-esque.

18 Q. Okay. Do you know who [REDACTED] is?

19 A. I have met [REDACTED]

20 Q. Who is he?

21 A. I believe he's an associate at [REDACTED]

22 Q. Okay. And did he attend this Investor
23 Day presentation?

24 A. I don't know.

25 Q. Okay. In July 2018 -- on or around July

1 2018, did you speak to Ripple's equity investors
2 about what was going on in the company -- what was
3 going on in the company?

4 A. I don't recall when, as I testified
5 earlier. I -- I do recall now two different
6 Investor Days. There was one that was here in New
7 York at a hotel and one was at a hotel in San
8 Francisco. So I remember those two, but I don't
9 remember the dates of them.

10 Q. Were they after or before the SEC letter
11 of April 2018?

12 A. I don't recall.

13 Q. Okay.

14 A. NO.

15 Q. Did you express at invest -- at these
16 Investor Days that you were optimistic about the
17 SEC's investigation, but could not guarantee the
18 outcome of the investigation?

19 MR. SOLOMON: Objection; form.

20 A. NO.

21 Q. Okay. Did you express anything about
22 the conversations with the SEC at these Investor
23 Days?

24 A. That's a very different question. The
25 first time you called it an investigation.

1 Q. It's a different question.

2 A. Yeah. I don't recall specifically. I
3 would imagine we generally would practically talk
4 about regulatory dynamics globally. Is it
5 possible what you asked was included in that?

6 That's quite possible.

7 Q. Okay. Separate from, you know, whether
8 it's an investigation or the conversations with
9 the SEC -- you understood that the SEC in 2018 had
10 not made a statement about whether it viewed XRP
11 as a security or not, correct?

12 MR. SOLOMON: Objection; form.

13 A. Yes. I am aware that to my knowledge
14 the SEC had not made a determination in the summer
15 of 2018 as to whether or not XRP is a security.

16 Q. And did you understand that the SEC was
17 considering the issue?

18 A. I really didn't know.

19 Q. You didn't know --

20 A. It's -- sorry.

21 Q. You didn't know that the SEC was
22 considering whether XRP was or was not a security
23 in the summer of 2018?

24 A. I was very confused by the SEC's
25 behavior in choosing, for example, to proactively

1 come out and say that Ether was not a security.
2 And at the time we received a letter, which I
3 would have described as an informal inquiry, to
4 which we were cooperating, to learn more about XRP
5 and to learn more about Ripple.

6 Q. But did you have an understanding, you
7 know, just from attending meetings with the SEC --
8 we've talked about some of them -- that the SEC
9 was determining the issue about whether it was or
10 was not a security?

11 MR. SOLOMON: Objection; form.

12 A. I believe in the summer of 2018, which
13 is when you're asking about, I had not had any
14 meetings with the SEC other than with Chairman
15 Clayton. And Chairman Clayton did not express a
16 view that XRP was a security or that even it was
17 being discussed.

18 Q. Okay. And in the fall -- after you had
19 meetings in the fall, did you have an
20 understanding that the SEC was considering
21 whether maybe it was, maybe it was not a security?

22 MR. SOLOMON: Objection; form.

23 A. I -- again, I don't recall. My
24 viewpoint -- you know, we were having
25 conversations with almost entirely CorpFin. And

1 given the construct around decentralization as an
2 important tenet of the -- Director Hinman's speech
3 about Ether, it seemed like educating the SEC
4 about how the XRP Ledger is decentralized was a
5 step in the journey of -- maybe a similar journey
6 to what Joe Rubin and metallic had done with the
7 SEC previously.

8 Q. So a journey that might end with a
9 statement publically about XRP?

10 A. I think market clarity would have been
11 helpful as soon as possible.

12 Q. Okay. And so in -- in -- in or around
13 July 2018, did you state to Mr. [REDACTED] or at a
14 meeting that Mr. [REDACTED] attended, that you felt
15 optimistic that the SEC will rule in XRP's favor,
16 but could not guarantee that?

17 MR. SOLOMON: Objection; form.

18 A. I don't know what it means for the SEC
19 to rule in XRP's favor. I mean, there had been a
20 speech by Director Hinman. I -- I -- I don't
21 recall saying that to Mr. [REDACTED]

22 Q. Do you recall saying whether -- you
23 know, did you recall saying that you felt
24 optimistic that the SEC could potentially conclude
25 that XRP was not a security, but you could not

1 guarantee that?

2 MR. SOLOMON: Objection to form.

3 A. I don't recall speaking to Mr. [REDACTED] -- I
4 don't recall meeting Mr. [REDACTED] I know more who he
5 is, but I don't recall speaking to him about the
6 SEC's inquiry into XRP and Ripple.

7 Q. What about not speaking to him
8 necessarily but speaking at an event where he's at
9 such as an Investor Day? Do you recall stating at
10 one of these Investor Days, either in the New York
11 hotel or the San Francisco hotel, and saying
12 something along the lines of you feel optimistic
13 that the SEC will determine that XRP's not a
14 security, but you could not guarantee that?

15 MR. SOLOMON: Objection; form.

16 A. I don't recall making any statement like
17 that.

18 Q. Okay. Do you have any reason to think
19 you did not make that statement?

20 A. No. I mean, there's some interesting
21 timing-related things there based on information
22 you showed me this morning which is just hard to
23 reconcile. And it depends a little bit when the
24 Investor Day was.

25 Q. All right. Mr. Garlinghouse, over the

1 course of your time at Ripple, is it fair to say
2 that Ripple has made efforts to get XRP listed on
3 digital asset trading platforms?

4 A. Yes.

5 MR. CERESNEY: Objection; form.

6 Q. And what was the purpose for making
7 those efforts?

8 MR. CERESNEY: Objection; form.

9 A. A precondition to Ripple's product
10 strategy is liquidity between XRP and various fiat
11 currencies around the world. And if XRP doesn't
12 have trading pairs, then you don't have that
13 liquidity. And so if that's a precondition to
14 your product strategy, you want to make sure that
15 that exists.

16 Q. To -- to provide that liquidity, for
17 example, let's say between XRP and the Mexican
18 peso, Ripple has engaged market makers to help
19 provide that liquidity, is that right?

20 MR. SOLOMON: Objection; form.

21 A. I believe that's yes.

22 Q. Okay. And so why didn't Ripple do that,
23 you know, just provide that liquidity by engaging
24 market makers as opposed to putting it on
25 exchanges?

1 MR. SOLOMON: Objection; form.

2 A. Well, in the example I think you're
3 using, [REDACTED] listed XRP independently of any work
4 with Ripple. So that liquidity existed there. We
5 then, as we brought customer flows, wanted to make
6 sure there was adequate liquidity to address those
7 customer flows and so we partnered with market
8 makers in those markets.

9 Q. And Ripple from time to time publicly
10 communicated the efforts it was making with
11 respect to getting XRP on exchanges, is that
12 right?

13 MR. SOLOMON: Objection; form.

14 A. Well, what time frame are we talking
15 about here?

16 Q. You know, when -- at various times when
17 you worked at Ripple. Well, if -- if there was a
18 moment when Ripple stopped, you can tell me. But
19 my question is: Ripple from time to time told the
20 market that it was making efforts to get XRP
21 listed, is that right?

22 MR. SOLOMON: Objection; form.

23 A. My recollection is that XRP, I mean, as
24 of within the last couple of years, has traded at
25 a couple hundred exchanges around the world, of

1 which Ripple partnered or facilitated a, you know,
2 very small percentage of those. Kind of less than
3 5 percent of those did Ripple facilitate or
4 partner in some way.

5 Separately, Ripple, in the interest of
6 transparency, in the interest of trying to get
7 what tended to be a little bit of a clandestine
8 market, trying to encourage more transparency,
9 trying to minimize misinformation in the market,
10 Ripple started years ago to proactively
11 communicate what's our view and what's going on in
12 the XRP markets and what we are doing in the XRP
13 markets.

14 Q. And did that include proactively
15 communicating Ripple's engagement with exchanges
16 to get XRP listed?

17 A. I think those would have included just
18 updates on the number of exchanges XRP was listed
19 independent of whether or not Ripple had
20 facilitated that.

21 Q. Did Ripple disclose publicly if Ripple
22 had facilitated a listing on the exchange?

23 MR. SOLOMON: Objection; form.

24 A. I don't know.

25 Q. Well, in terms of providing

1 transparency, did Ripple communicate its efforts
2 to get XRP listed on exchanges?

3 A. Isn't that the same question you just
4 asked?

5 Q. I'm trying to understand how -- you're
6 telling me that you wanted to have transparency,
7 but you don't know if there -- if these things
8 were communicated.

9 So my question is, is communicating
10 Ripple's efforts, would that have provided
11 transparency?

12 MR. SOLOMON: Objection; form.

13 A. I guess hypothetically -- I mean, I'm
14 not quite sure what you're asking me now. I
15 apologize.

16 Q. Yeah.

17 Would communicating Ripple's
18 efforts, to the extent they were made, to
19 get XRP listed, would that in your view
20 have provided more transparency to the
21 market?

22 MR. SOLOMON: Objection.

23 A. Sure. I -- I don't know because, you
24 know, we're kind of talking hypotheticals. If we
25 could talk about a specific example, I'd be happy

1 to --

2 MR. SOLOMON: He'll show you
3 documents. He's going to give you a
4 memory test first. Just do your best to
5 answer the questions.

6 A. Okay. I --

7 MR. SOLOMON: Qualify it however
8 you have to.

9 A. I don't recall -- what I recall about
10 our XRP Markets Reports is we tried to provide as
11 much information, as you're probably aware -- and,
12 frankly, I think the SEC -- well, any regulator
13 would be concerned. There's a lot of
14 misinformation out in the crypto marketplace. And
15 so our goal with the Markets Report was to provide
16 as much authoritative, clear information as
17 possible. Some of that involved what Ripple's
18 activities included and some of that certainly was
19 about observations about what we were aware other
20 people were doing.

21 You know, I guess part of your question
22 is could we be more exhaustive in the type of
23 information we provided in those XRP Markets
24 Reports? And I guess that that answer is of
25 course you can always include more information.

1 At some point you want them readable and
2 accessible and -- you know, I don't know, I think
3 they were roughly four to five pages long and that
4 seemed about right, the level of detail that we
5 provided about the markets.

6 Q. Thank you.

7 I'm not just talking about Market
8 Reports, but let's -- that's -- that's fine.
9 Let's be clear about something.

10 Did Ripple provide information to the
11 market about its activities outside of the Market
12 Reports?

13 A. You mean like the shareholder updates?

14 Q. Anything. The shareholder -- I'm
15 talking beyond just the shareholder updates. I
16 understand the shareholders are maybe a hundred to
17 200 people. I'm talking beyond that.

18 Did Ripple from time to time
19 while you've been CEO provide information
20 to the market that's not just in the
21 Market Reports? For example, tweets by
22 Ripple employees.

23 A. Oh.

24 Q. Interviews, et cetera.

25 A. Yes, Ripple employees and Ripple

1 corporate tweeted. Yes, Ripple employees
2 participated in panels, interviews, what have you.

3 Q. In the Consensus forum Ripple
4 participated?

5 A. Which one are we talking about?

6 Q. Let's say Ripple or its employees
7 participated from time to time in conferences in
8 the digital asset space.

9 A. For sure.

10 Q. Okay. So I just want to be sure. The
11 Markets Reports were not the only way in which
12 Ripple communicated to the market, is that right?

13 A. That's correct.

14 Q. Okay. Over the years, Ripple engaged in
15 attempts to get CoinBase to list XRP, correct?

16 MR. SOLOMON: Objection; form.

17 A. Over the years ripple spoke to CoinBase
18 about listing XRP.

19 Q. For what purpose?

20 A. Well, as I described earlier, the -- in
21 order to achieve our product strategy, providing
22 liquidity between XRP and fiat is foundational.
23 It's a precondition that needs to exist.

24 CoinBase was particularly, you know, I
25 think, robust in their own -- I viewed them as

1 kind of a white hat in the crypto space of having
2 robust AML procedures, robust KYC procedures.

3 And so our goal was, as I've described
4 many times, I think the more, quote/unquote,
5 adults in the crypto space that were furthering
6 the growth and expansion of the market, the
7 better. I think CoinBase would have met some of
8 those criteria. And so we sought to partner with
9 them around our product strategy.

10 Q. And so I think you said earlier over the
11 years Ripple spoke to CoinBase about listing XRP.
12 And was the purpose of that to eventually get them
13 to list XRP for the, excuse me, foundational
14 precondition that you have?

15 A. Yeah.

16 Q. Okay. And you yourself met with
17 CoinBase people over the years, right?

18 A. Yes.

19 Q. And do you recall approximately your
20 first outreach to CoinBase was?

21 A. I don't. My recollection is that
22 [REDACTED] and I went over and had lunch at
23 the CoinBase offices at some point. And maybe we
24 had lunch with [REDACTED] and I can't remember
25 who else.

1 Q. Okay. Separate from CoinBase, did you
2 offer Gemini money to list XRP?

3 A. I did not.

4 Q. Did Ripple?

5 MR. SOLOMON: Objection; form.

6 A. I actually don't know. I've read that
7 speculation, but I don't know if that's true or
8 not.

9 Q. Okay. Did you meet with CoinBase
10 officials more than once about -- I'm sorry,
11 CoinBase, you know, employees more than once about
12 the potential listing?

13 A. Yes.

14 Q. Okay. And who did you meet with?

15 A. My recollection -- I only remember
16 having two live meetings and one phone call. And
17 I met -- the live meeting -- the first live
18 meeting I described with [REDACTED] I don't
19 remember who we met with. I think [REDACTED] was
20 there. I'm not sure. Maybe he had left. And
21 then the other conversations were with --

22 MR. SOLOMON: Slow down a little
23 bit for the court reporter, please.

24 THE REPORTER: Thank you.

25 MR. SOLOMON: Why don't you start

1 over with your response.

2 A. So --

3 Q. Two live meetings, one phone call.

4 A. Well, at least one phone call. I -- to

5 the extent -- I believe your question was with

6 whom did I meet. The latter time periods, I met

7 with [REDACTED] in person once and I think by
8 phone once. I think I also reached out to [REDACTED]

9 [REDACTED] who joined as their head of Corp Dev. She

10 had been a Yahoo employee and someone I knew

11 personally.

12 Q. And at any point in time did you offer

13 CoinBase \$5 million to list XRP?

14 MR. SOLOMON: Objection to form.

15 A. They asked us to pay \$5 million, to
16 which we declined. And as time went by, I think
17 we went back to them and said, Was that still on
18 the table?

19 Q. And what did they say?

20 A. I believe they said no.

21 Q. Let's look at Exhibit 31, please.

22 MR. SOLOMON: It's three o'clock
23 on the nose. Would this -- do you want to
24 take a break before this one or after?

25 MR. TENREIRO: Either.

1 THE WITNESS: Let's do one more
2 and then take a break. Probably because
3 the coffee is going to be here in ten
4 minutes.

5 MR. SOLOMON: You're the boss.
6 One more document.

7 MR. TENREIRO: Thirty-one.

8 THE WITNESS: Oh, gosh, I forgot
9 about that.

10 MR. SOLOMON: What's that?

11 THE WITNESS: I forgot I met with
12 [REDACTED]

13 MR. SOLOMON: That's all right.
14 That's why we're doing this.

15 (Pause)

16 (Whereupon, exhibit is received
17 and marked Garlinghouse Deposition
18 Exhibit 31 for identification.)

19 BY MR. TENREIRO:

20 Q. Okay. Having read this email, do you
21 see the part where you said, towards the bottom,
22 "In order to be listed, they expect a 'listing
23 fee' from all players to cover their costs. (I
24 was transparent with him that we" had
25 previously -- sorry, "that we have previously

1 offered \$5 million U.S. to increase the
2 prioritization/impact the decision about listing
3 XRP) "?

4 Do you see that?

5 A. I do.

6 Q. Okay. So I'm just trying to understand,
7 did you offer \$5 million to CoinBase?

8 A. I think my previous testimony I stand
9 by, which is I recall them asking us to pay them
10 \$5 million. We then later went and said, "Hey, is
11 that still on the table?" I think what I'm
12 regurgitating to [REDACTED] is that, hey, that had
13 happened.

14 Q. So when the -- when they asked you
15 originally, you declined or did not respond, or
16 what occurred when you first asked?

17 A. When they first --

18 MR. SOLOMON: Objection; form.

19 A. My recollection is when they first
20 asked, we didn't have the wherewithal from a
21 capital point of view to meet the ask and so it
22 was just kind of dismissed out of hand.

23 Q. Okay. And then at some point you went
24 back and said "Is that still on the table"?

25 A. That's my recollection, yeah.

1 Q. And that's what you're reflecting in
2 this email?

3 A. I believe that's correct.

4 Q. Okay. And did Mr. -- did [REDACTED] respond
5 to that question?

6 A. I can't quite tell from this email.

7 Q. And what about from your memory?

8 A. I don't recall.

9 Q. A little bit above, it says "Some at
10 Ripple felt that the criteria were designed to
11 exclude XRP."

12 Do you see that?

13 A. I do.

14 Q. Who at Ripple are you referring to
15 there?

16 A. I don't recall.

17 Q. What criteria are you referring to
18 there?

19 A. My recollection is around this time, I
20 guess, you know, Q4 2017, CoinBase published, as I
21 recall, an application process to have a digital
22 asset listed on CoinBase. And I don't remember
23 what the criteria were. I remember it being
24 laudable in its objective, a little bit chaotic in
25 its implementation, because everybody had, you

1 know -- this is kind of the post-ICO window. And
2 I think CoinBase was trying to do the right thing,
3 but didn't execute it as seamlessly as one might
4 have hoped.

5 Q. Why did you think they were designed to
6 exclude XRP, though?

7 A. I don't recall what the criteria were so
8 I don't recall why I wrote that.

9 Q. The email is to "Leadership."

10 Do you see that?

11 A. I do.

12 Q. Who is leadership?

13 A. Leadership is an email distribution list
14 that, generally speaking, just includes all my
15 direct reports. Chris Larsen would be included on
16 there and at various times there might have been
17 other people that were on that list.

18 Q. All right. Eventually CoinBase listed
19 XRP on or around February 2019, is that correct?

20 MR. SOLOMON: Objection to form.

21 A. It sounds correct. I -- I don't recall
22 exactly.

23 Q. Speaking of not CoinBase specifically,
24 but exchanges, did Ripple from time to time enter
25 into agreements with exchanges?

1 MR. SOLOMON: Objection; form.

2 A. I think my testimony earlier was I think
3 there were over 200 exchanges around the world
4 with XRP of which I think five or six Ripple has
5 had some sort of relationship with.

6 Q. The relationship include agreements,
7 contracts?

8 A. Yeah. That's what I mean by
9 "relationship." Yes.

10 Q. And, generally, some of these provide
11 for payments to the platforms, for example, with
12 respect to volume incentives and things of that
13 nature?

14 MR. SOLOMON: Objection; form.

15 A. I believe that's correct.

16 Q. Okay. And what role, if any, did you
17 have in entering into those agreements?

18 A. Minimal, if any.

19 Q. Did you have to approve or sign them on
20 behalf of the company?

21 A. That probably depends upon the
22 materiality. I don't recall sitting here today
23 signing any of them or even being involved in
24 negotiating any of them.

25 Q. Back to CoinBase. Who at CoinBase, if

1 anyone, communicated to you their decision that
2 now they're going to list XRP?

3 MR. SOLOMON: Objection.

4 A. I didn't know CoinBase was going to list
5 XRP until it was public. I actually specifically
6 asked [REDACTED] not to tell us or anyone at Ripple
7 because I felt like it only invited scrutiny.

8 Q. By whom?

9 A. The media. Anybody. At -- you know, at
10 the time this was going on, every time CoinBase
11 listed a digital asset, that tended to drive the
12 price. I thought the best way to mitigate any
13 accusations, observations, was just we don't want
14 to know.

15 Q. Ripple understood that announcements
16 about listing of XRP could have an impact on the
17 price of XRP, right?

18 MR. SOLOMON: Objection. Are you
19 asking him if he understood or if the
20 company understood or everybody at the
21 company?

22 MR. TENREIRO: No, the company.

23 A. Well, I mean, when you say "the
24 company," I mean, I don't know what all the
25 employees at Ripple thought.

1 Q. What did you think?

2 A. Well, it was my testimony before. It's
3 just that when CoinBase listed a new digital asset
4 on its platform, my observation of the market was
5 that it drove the price of that digital asset.

6 Q. Drove the price up?

7 A. And sometimes down.

8 Q. And do you have a belief as to why it
9 would go down?

10 A. If I had had the foresight, even
11 hindsight, to be able to explain the gyrations of
12 the digital asset markets, I would probably be in
13 a different job.

14 Q. But it moved the price in one direction?
15 That was your observation?

16 A. Well, my observation was it would drive
17 volatility in that digital asset. It sometimes
18 would drive it up; sometimes it would drive it
19 down; sometimes it would drive it up, then down.
20 My experience was -- I actually remember a meeting
21 with the SEC discussing this exact point, as I
22 recall.

23 Q. Did -- did Ripple ent -- enter into a
24 custodial agreement with CoinBase?

25 A. I believe so.

1 Q. For what purpose?

2 A. Yeah. I mean, similar to kind of my
3 comments around [REDACTED] anything that is
4 helping drive the maturity, expansion, growth of
5 the digital asset market, I view that as good for
6 Ripple. And so seeing robust custody providers
7 that worked with institutions and regulators I
8 viewed as a good thing.

9 Q. And did you -- a good thing just for the
10 market generally or for Ripple specifically?

11 A. Well, as I've testified, my general view
12 is if it's good for the market, it's good for
13 Ripple.

14 Q. Okay. And what conversations did you
15 have with CoinBase -- you, Mr. Garlinghouse -- in
16 connection with the custody asset -- custody
17 agreement?

18 A. I don't recall having any conversations
19 with CoinBase about the custody agreement.

20 Q. Okay. Did you sign the custody
21 agreement?

22 A. I don't recall.

23 Q. After the listing, I think your
24 testimony is you had asked CoinBase not to tell
25 you about the listing and you found out when the

1 public found out about the listing of XRP, is that
2 right?

3 A. Yeah. I -- I mean, I'm not sure I agree
4 with exactly what you said, but I -- I didn't
5 want -- I didn't ask -- I didn't know they were
6 going to list XRP. So I think your -- I just --
7 my answer is I don't want to know. You guys
8 should do what you want to do. If it makes sense
9 for your business, **CoinBase**, then you should list
10 XRP. If it doesn't make sense for your
11 business --

12 THE REPORTER: Wait. Slow down.

13 THE WITNESS: Sorry.

14 THE REPORTER: "If it makes
15 sense for your business..."?

16 A. You should list XRP. If it doesn't make
17 sense for your business, then you shouldn't list
18 XRP. I said to the extent you decide to list XRP,
19 we don't want to know.

20 Q. And is it your testimony that when it
21 was announced publicly that XRP -- that **CoinBase**
22 was going to list XRP, that you, Mr. Garlinghouse,
23 did not know that until it was announced publicly?

24 A. That's my recollection, yes.

25 Q. Why the change between negotiating -- or

1 discussing with CoinBase \$5 million, potentially
2 listing, and going to do whatever you want?

3 A. You know, when those conversations first
4 started with CoinBase, there was a lot less
5 liquidity in the XRP markets. There were far
6 fewer exchanges. And CoinBase -- CoinBase's
7 importance would have been more important.

8 By the time I, you know, met with [REDACTED]
9 [REDACTED] and much later -- you know, and kind of
10 this is -- I guess you said 2019. You know, by
11 that time XRP was listed on lots of exchanges
12 around the world, had much, much, much more
13 liquidity. And so the importance of CoinBase,
14 quite frankly, had gone down in the industry.

15 And I felt ultimately it's in
16 their capitalistic interest as an
17 exchange -- given they derive revenue
18 from trading, it's in their interest to
19 have more trading. And if listing XRP
20 fueled that, then they would do that, or
21 not, based upon their own self-interest.

22 Q. How do they derive revenue from trading
23 of XRP?

24 MR. SOLOMON: Objection.

25 A. How does -- is the question how does

1 CoinBase derive revenue from trading?

2 Q. Yes.

3 A. I'm not an expert on that. I mean, I
4 have a basic understanding. I'm not the right
5 person to --

6 Q. No, just your basic understanding.

7 That's fine. You know, you said you viewed that
8 at some point it would be in their capitalistic
9 interest because they derive revenue.

10 So just what was your understanding of
11 how an exchange -- you can focus on CoinBase or
12 not, I'm just curious. What was your
13 understanding of how the revenue was derived?

14 MR. SOLOMON: Objection.

15 A. I think my understanding is CoinBase
16 takes a percentage of -- has a fee on buying or
17 selling the digital assets they list. And so
18 the -- the more trading, the better.

19 Q. So you had an understanding that if it
20 was in their financial interest, they would list
21 XRP based upon their own self-interest
22 essentially?

23 MR. SOLOMON: Objection; form.

24 A. Right. I think I read -- I don't know
25 if it's accurate -- that 17 percent -- when the

1 SEC decided to sue Ripple and CoinBase
2 subsequently halted trading of XRP, I believe it
3 represented 17 percent of their revenue. XRP
4 trading represented 17 percent of their revenue.
5 I don't know if it's accurate because I'm not with
6 CoinBase, but that's what I read.

7 Q. Okay. After CoinBase -- the decision to
8 list was announced, did you speak to CoinBase
9 about the decision?

10 A. I don't believe -- I don't recall.

11 Q. Is it possible you spoke to them about
12 the decision and just don't recall?

13 A. I -- I -- I don't recall.

14 Q. Okay. Was the custody agreement some
15 sort of olive branch, say, that Ripple extended to
16 CoinBase with -- in connection with its
17 conversations about listing XRP?

18 MR. SOLOMON: Objection.

19 A. No. I viewed the custody agreement as
20 in the interest of the crypto landscape broadly.
21 And if there's robust institutional custody,
22 even -- I mean, obviously they didn't support or
23 list XRP at the time, but the more institutional
24 custody players, the better it is for Ripple's
25 strategy.

1 Q. And was Ripple -- around the time that
2 CoinBase actually did list XRP, which I'm telling
3 you is around February of 2019, was Ripple
4 disinterested in whether CoinBase would list XRP?

5 MR. SOLOMON: Objection.

6 A. Well, I think as I testified, I remember
7 speaking to [REDACTED] and saying "List XRP
8 or don't list XRP, you guys should do what's best
9 for you."

10 Q. If you -- if you have to choose, which
11 one would you have picked back then? Would you
12 have preferred them to list it or not?

13 MR. SOLOMON: Objection; form.

14 A. Clearly the more -- as I've testified,
15 the more liquidity in the market, the better. So
16 to the extent CoinBase listed XRP, I viewed that
17 as a positive for the market.

18 Q. Did the --

19 MR. TENREIRO: Almost done, Matt.

20 MR. SOLOMON: Okay.

21 Q. Did the -- sorry. So I think I asked
22 you, but let me just make sure I did.

23 After the listing was announced, did you
24 talk to CoinBase about their decision, the basis
25 for their decision?